

TAFE QUEENSLAND

Annual Report

2021-22



LETTER OF COMPLIANCE

25 August 2022

The Honourable Di Farmer MP
Minister for Employment and Small Business and
Minister for Training and Skills Development
PO Box 15483
CITY EAST QLD 4002

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2021-22 and financial statements for TAFE Queensland.

I certify that this report complies with the:

- prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*; and
- detailed requirements set out in the *Annual Report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be found at page 71 of this Annual Report.

Yours sincerely



Jane Seawright
Chairperson
TAFE Queensland

ABOUT OUR ANNUAL REPORT

The TAFE Queensland Annual Report 2021-22 is an integral part of our corporate governance framework. It aligns with the TAFE Queensland Strategic Plan 2020-24, summarising our key achievements, performance and financial position for 2021-22.

The annual report plays an important role in fulfilling TAFE Queensland's commitment to accountability, transparency and continuous improvement.

It also provides information on our future direction, people management and corporate governance.

View our report online

TAFE Queensland's annual reports (including information on TAFE Queensland's government body) are available online at tafeqld.edu.au.

For enquiries about this annual report, please contact TAFE Queensland by telephone on +61 7 3514 3600 or via email at tafe.queensland@tafeqld.edu.au.

More information – open data

Several annual reporting requirements for this year are addressed through publishing information on the Queensland Government Open Data Portal. These are:

- Consultancies
- Overseas Travel
- Queensland Language Services Policy; and
- Queensland Government Bodies.

For further information, please visit data.qld.gov.au.

Interpreter services

TAFE Queensland is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds.



If you have any difficulty in understanding the annual report, please call TAFE Queensland on +61 7 3514 3600 and we will arrange an interpreter to effectively communicate the report to you.

Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite you to provide feedback on this report by completing a survey on the Get Involved website. The feedback survey is available by searching for 'annual report' on the Get Involved website:

<https://www.getinvolved.qld.gov.au/gi/>

Copies of this publication can be obtained at tafeqld.edu.au or by telephoning TAFE Queensland on +61 7 3514 3600 or emailing tafe.queensland@tafeqld.edu.au.

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CONTENTS

LETTER OF COMPLIANCE	i
ABOUT OUR ANNUAL REPORT	ii
CONTENTS.....	iii
INTRODUCTION	1
Message from the Chairperson and Chief Executive Officer	1
OUR ORGANISATION	3
Operating Environment	3
Vision, Mission and Values	3
Executive Management.....	4
FINANCIAL PERFORMANCE	5
Our Performance	5
YEAR IN REVIEW 2021-22	6
Industry, Employer and Student Focus	6
Our People Make Great Happen	9
Exceptional Student Experiences.....	13
A Sustainable and Socially Responsible TAFE Queensland	16
OUR FUTURE DIRECTION	18
GOVERNANCE	19
Management and Structure.....	19
Risk Management and Accountability	20
Human Resources	22
FINANCIAL STATEMENTS	25
MANAGEMENT CERTIFICATE.....	67
INDEPENDENT AUDITOR'S REPORT	68
APPENDIX A: COMPLIANCE CHECKLIST	71
GLOSSARY OF TERMS	73

INTRODUCTION

Message from the Chairperson and Chief Executive Officer

At TAFE Queensland we work closely with Government and local industry to ensure our training programs are tailored to their needs. Our training meets current and future employment demands and our students graduate confident and capable.

For almost 140 years we have helped people build things, make things, and fix things. We have helped people to heal, helped people to grow, and helped people to gain the skills they need to do extraordinary things.

As the largest provider of quality vocational education and training, TAFE Queensland has actively contributed to the Queensland Government's objectives through Unite and Recover.

From entry-level certificates and apprenticeships to bachelor's degrees, we deliver hands on, practical training to over 125,000 students annually, across more than 400 programs.

Training is offered to students at more than 60 campus locations throughout Queensland, from Thursday Island in the North to Coolangatta in the South East, and as far west as Mount Isa.

Our students gain the confidence and practical experience they need to be graduate job ready.

At TAFE Queensland we are committed to providing quality outcomes for students and industry through the implementation of a quality framework, a comprehensive and systemic approach to monitoring quality and driving continuous improvement.

We have approximately 4,000 full-time equivalent employees who help our students to change their lives and achieve their career aspirations.

Our highly experienced workforce is dedicated to delivering best practice and innovative training that provides real outcomes for our students and employers.

Our teachers are the best at what they do. They deliver educational excellence by encouraging and mentoring their students to help them succeed in their chosen industry.

Teachers also regularly return to industry to keep their skills and knowledge up-to-date. They contribute to developing training packages in consultation with industry to ensure our courses continue to meet contemporary workforce requirements.

In addition to providing Queenslanders with the high quality, hands-on training they need to succeed in their chosen career, at TAFE Queensland we are also focussed on fulfilling the skills demands of local communities.

For instance, we have taken an important step in accelerating the growth of the cyber security industry with the development of Security Operation Centres. The centres, funded under the Queensland Government's Equipping TAFE For Our Future initiative, will ensure at TAFE Queensland we have the latest technology, hardware and software to deliver the cyber security training that industry requires. A growing Australia digital economy requires a suitably skilled cyber security workforce available to protect and maintain industry and public confidence.

We have also partnered with industry organisations to deliver a pilot program in Autonomous Technologies to high school students. TAFE Queensland graduates of the Certificate II in Autonomous Technologies (10935NAT) are able to demonstrate knowledge and skills required to work in entry level roles within autonomous environments and to undertake further education pathways in a range of technical, engineering, trade and information communication technology and related areas.

At TAFE Queensland we believe that vocational education and training has a key role to play in the achievement of the United Nation's Sustainable Development Global Goals and to make sure we leave a better planet for future generations.

Through the TAFE Queensland Social and Environmental Sustainability Action Plan 2020-24, we are connecting with our students, communities, industries and government agencies to provide a platform to build and grow our social and environmental sustainability commitments.

Our training is accessible to students from all walks of life. We enrol students from diverse education and socio-economic backgrounds to enhance the economic and social wellbeing of the communities we serve.

At TAFE Queensland we are committed to creating a positive, respectful learning environment for our students that promotes equality, is free from discrimination and harassment and is supportive of the specific needs of all individuals.

We are dedicated to making everyone's experience enjoyable and worthwhile and provide practical assistance, support, and advice through our AccessAbility Support team to assist students to develop an individual support plan.

Our Reconciliation Action Plan (RAP) 2021-2023 demonstrates our commitment to closing the gap to ensure our first Australians are afforded the same opportunities for learning and prosperity that everyone enjoys in Australia.

We have proven to Queensland that we can keep up with changes in industry, technology and culture to continue delivering quality skills to businesses across the state, Australia and globally.

With a 92.1% employer satisfaction rate, at TAFE Queensland we continue to support local Queensland industries, employers and communities long into the future.

We are also proud to highlight that, this year, TAFE Queensland was awarded the Large Training Provider of the Year at the Queensland Training Awards.

International Training

We maintain an international presence at TAFE Queensland to increase on and off-shore international business, contributing to the international education and training industry through the export of products and services.

Our international resources are dedicated to developing business with governments and enterprises across the globe.



Jane Seawright
Chairperson
TAFE Queensland

We recruit international students from over 130 countries, resulting in great social, cultural and financial benefits for Queensland.

In addition to this, at TAFE Queensland we manage the Australia Pacific Training Coalition (APTC), a centre of training excellence assisting Pacific Island citizens to gain Australian-standard skills and qualifications, since its inception.

The APTC, funded by the Department of Foreign Affairs and Trade, is the Australian Government's major investment in Technical and Vocational Education and Training (TVET) in the Pacific region.

Aviation Australia

Aviation Australia Pty Ltd is a wholly owned subsidiary of TAFE Queensland that provides aviation related training across four key aviation and aerospace areas – aircraft maintenance engineering, flight safety training, remotely piloted aircraft systems (RPAS) and advanced pilot training.

In 2021-22, Aviation Australia responded to the challenges of the COVID-19 pandemic across the aviation industry. Specifically, the slump in airline activities impacted the recency and currency requirements of air and ground crew, posing a serious safety risk. Aviation Australia's priority has therefore been to ensure the maintenance of skilled personnel for the industry.

Our TAFE Queensland Annual Report 2021-22 highlights our achievements against TAFE Queensland's key strategic pillars:

- Industry, employer and student focus
- Our people make great happen
- Exceptional student experiences; and
- A sustainable and socially responsible TAFE Queensland.

We look forward to continuing our efforts in 2022-23 to minimise skills shortages, focus on training for jobs that are in demand in our critical industries, and increasing the number of Queenslanders with formal post-school qualifications.



Mary Campbell
Chief Executive Officer
TAFE Queensland

OUR ORGANISATION

Operating Environment

TAFE Queensland was established by the *TAFE Queensland Act 2013* (TQ Act) as a statutory body under the *Financial Accountability Act 2009* (FAA) and the *Statutory Bodies Financial Arrangements Act 1982* on 1 July 2014. This legislation prescribes our objectives and functions - noting our primary role is to provide vocational education and training services in a way that is efficient, effective and responsive to the needs of industry, students and the general community.

TAFE Queensland is the state's largest and most experienced further education and training provider, delivering practical, industry-relevant programs. This year we provided training for over 125,000 students (including over 6,200 international students from over 130 countries), across more than 400 programs that range from foundation skills to degree level, along with a series of micro-credentials, skill sets and short courses.

Vision, Mission and Values

Though our form has changed many times throughout our proud 140-year history, our vision has stayed the same: **to be the leading provider of vocational education and training that is at the heart of community success.**

At TAFE Queensland *we deliver quality education and training that enables the careers of our students and the development of the industries and communities we serve* by holding true to our values: **safety first, working together, focusing on our customer, taking responsibility and showing initiative.**

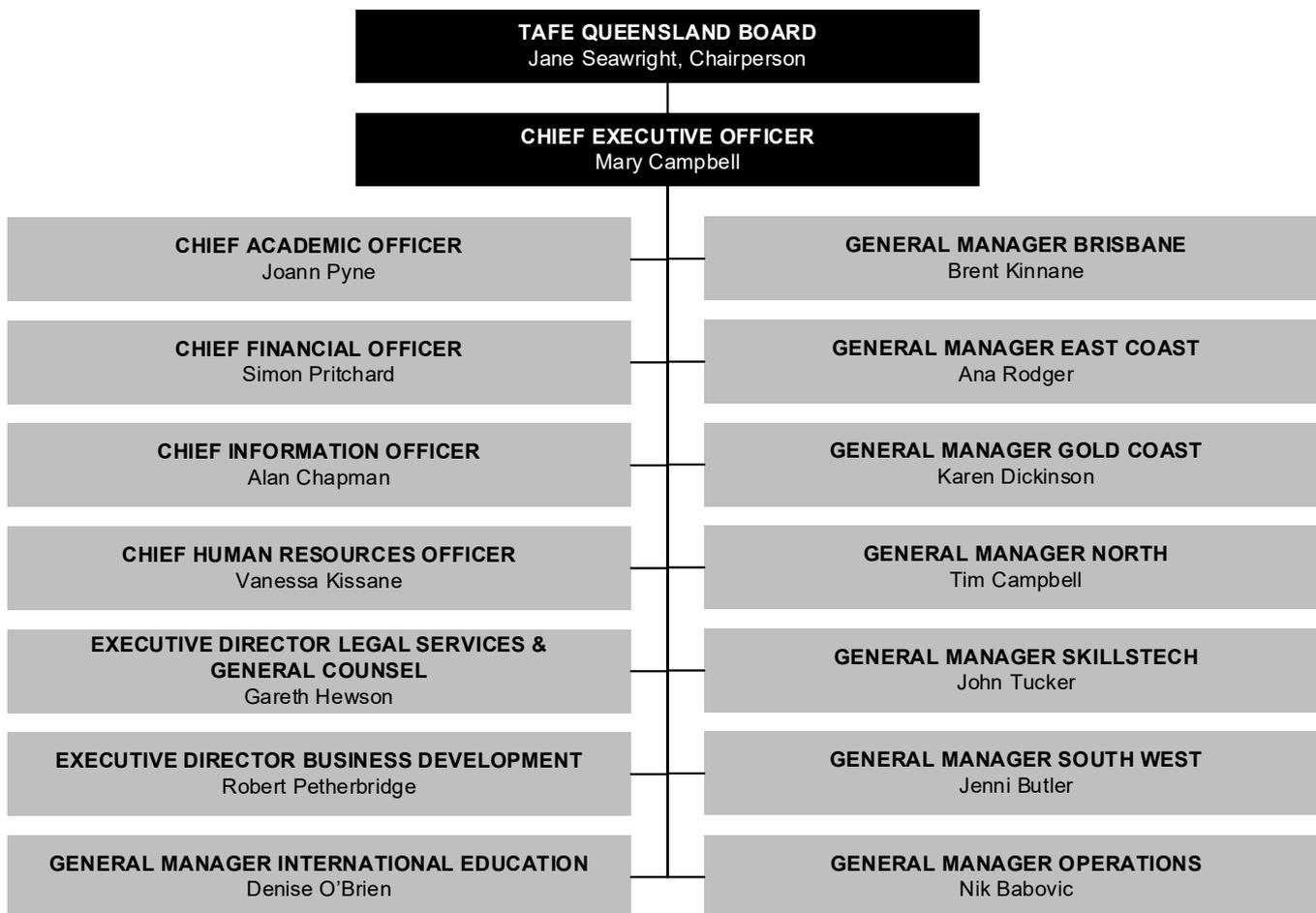
Operating as one network of over 60 campuses across Queensland, as well as online, at employer workplaces and in markets offshore, we provide individuals with training options at every stage of their career and employers with skilling solutions that respond to complex and ever-changing workforce needs.

Our state-wide delivery model supports our commitment to working with students from a wide-range of socio-economic and cultural backgrounds, in regional and remote locations and with students with diverse needs. Our responsive approach allows us to adapt our offerings to meet the needs of local industries and strengthens local communities. Our training results in contemporary skills that prepare graduates for the jobs of today, and the required upskilling and reskilling for the jobs of tomorrow.

In doing so, we continue to strengthen our reputation as a leading provider of high quality education and training. TAFE Queensland's values support the Queensland Government's public service values.

Executive Management

TAFE Queensland’s Executive team functions under the authority of the TAFE Queensland Board and reports to the Board through the Chief Executive Officer (CEO). The Executive team, led by the CEO, provides the leadership and direction to achieve the strategic goals and draws on the expertise of other staff when required.



Profiles of the TAFE Queensland Executive team are located on the TAFE Queensland website at: <https://tafeqld.edu.au/about-us/who-we-are/executive.html>

FINANCIAL PERFORMANCE

TAFE Queensland is reporting a consolidated operating deficit of \$4.2 million for 2021-22.

Overall revenue increased by 6.6% (\$44.4 million). This can largely be attributed to:

- increased demand largely driven by State and Federal Government initiatives such as JobTrainer, Boosting TAFE Apprenticeship Commencements and TAFE Priority Skills Fund
- revenue generated from training contracts including the Pacific Maritime Training Services contract; and
- contributions from the Department of Employment, Small Business and Training towards the fit-out of the new Robina campus and implementation of Cyber Training Security Operations Centres.

Expenses rose by 7.4% (\$49.1 million) during the year, which can largely be attributed to:

- salary increases in accordance with Enterprise Bargaining agreements, including increases deferred from 2020-21
- additional staffing and contracted labour to support training demand and meet delivery requirements
- increased marketing and promotions activity to drive student demand
- costs associated with the establishment of the new Robina campus
- increased student and course related supplies and services associated with additional demand; and
- increased travel related costs following the easing of COVID-19 restrictions, including student related travel costs under the Pacific Maritime Training Services contract.

TAFE Queensland has continued to invest in capital programs, including the fit-out of the Robina campus, rolling equipment replacement programs and development of training product to support course delivery.

Snapshots from the 2021-22 year are provided below. Further details are contained in the financial statements.

Operating Performance (financial highlights)	2020-21 \$'000	2021-22 \$'000
Income	668,102	712,485
Expenses	667,559	716,695
Operating (deficit) / surplus	503	(4,210)
Cash and cash equivalents	158,202	98,183
Total assets	432,733	429,148
Total equity	255,663	259,253

Our Performance

The following service standards were used by government to assess the overall performance of TAFE Queensland.

Performance measures	2021-22 Target	2021-22 Actual
<i>Effectiveness measures</i>		
Proportion of attempted competencies successfully completed	91.0%	89.0%
Student post-training outcome (employed or in further study after training)	83.0%	83.9%
Proportion of graduates satisfied with the overall quality of their training	89.0%	89.9%
Proportion of employers satisfied with the overall quality of training	89.0%	92.1%
<i>Efficiency measure</i>		
Average cost per competency	\$797	\$791

YEAR IN REVIEW 2021-22

This section summarises TAFE Queensland's performance across the four pillars of the Strategic Plan 2020-24. The TAFE Queensland Strategic Plan 2020-24 can be viewed on the TAFE Queensland website <https://tafeqld.edu.au/about/who-we-are>

Industry, Employer and Student Focus

TAFE Queensland is the trusted brand with an industry reputation that gives employers a level of assurance around the skills, knowledge and quality of our students.

HIGHLIGHTS

- Released the Business to Customer, Customer Relationships Management (B2CCRM) system
- Launched the new TAFE Queensland Website to enhance the customer experience
- Delivered the Certificate II in Autonomous Technologies (10935NAT), as part of a state-wide pilot program designed in consultation with industry
- Welcomed the announcement from the Queensland Government regarding the VET Emerging Industries initiative
- Partnered with Apple to deliver the Certificate III in Information, Digital Media and Technology
- Launched the new TAFE Queensland Academy of Sport in Townsville

MEETING OUR OBJECTIVES

Partnering with industry to drive innovation and meet the changing business needs of communities

- Commenced delivery of the Australian Government Pacific Maritime Training Services five-year, \$36 million contract to people from the Pacific Islands who will crew 21 Guardian Patrol Boats, gifted by the Australian Government, under the Australian Defence Cooperation Program. Since contract execution in March 2021, TAFE Queensland has delivered training and provided pastoral care services to more than 120 Pacific Island crew members.
- Partnered with Apple to deliver the Certificate III in Information, Digital Media and Technology (ICT30120), offering iOS app development with Swift to educate students on fundamental app development skills, becoming Queensland's only iOS course co-created with Apple engineers and educators.
- Launched the new TAFE Queensland Academy of Sport in Townsville on 7 October 2021, a post-secondary school athlete development program. The Academy promotes excellence by equipping up and coming Queensland athletes with the right tools to pursue success in and outside the sporting arena.
- Announced as a finalist for 'Industry Engagement' for the Queensland Future Skills (QFS) Partnership as part of the 2021 Engagement Australia Excellence Awards. The awards identify and celebrate the most exciting engagement activities undertaken by universities that demonstrate far-reaching impact and innovation in the Australian and New Zealand economy and community. The Industry Engagement category recognises outstanding contributions to enhancing the quality of learning and teaching in higher education by members of tertiary education institutions, community and industry partners.
- Delivered short courses in plumbing to more than 50 Samoa Independent Water Scheme Association (SIWSA) members from rural villages on Savaii and Upolu, through the APTC. The training helped equip participants with necessary skills and knowledge to improve and maintain their community water systems, contributing to SIWSA's goal of ensuring reliable and sustainable access to clean, safe and affordable water for independent water schemes in Samoa.
- Welcomed the announcement from the Queensland Government regarding the VET Emerging Industries initiative as part of the \$200 million Future Skills Fund. The VET Emerging Industries initiative will develop flexible industry strategies for the state's agribusiness, energy, manufacturing, and screen and digital sectors.

- Entered new partnerships with Greencross Vets and Australia Zoo to help build the industry workforce and enrich the practical component of delivery for students.

Working proactively within our communities to identify the skills required now and for future work

- Consulted with industry to develop a 10-week pre-employment program, designed to provide participants with entry level machinist skills. Students studied for three days per week at TAFE Queensland's Mount Gravatt campus, completing four accredited units from the Certificate II in Applied Fashion Design and Technology (MST20616) and were placed into work experience one day per week to gain on the job training.
- Promoted Leading Aged Care, which is a state-wide initiative focusing on TAFE Queensland's response to the Royal Commission into Aged Care Quality and Safety.
- Collaborated with Gold Coast City Council, Film Attraction and Screen Queensland to deliver TAFE Queensland's Screen Industry Onboarding Program, as a six-day course. The program provides an opportunity for anyone to leverage their existing skills into the screen industry.
- Partnered with the University of the Sunshine Coast and industry alliance Manufacturing Excellence Forum to deliver a pilot program to 10 high school students who have shown an interest in a career in the manufacturing sector upon graduation.
- Hosted a virtual graduation ceremony for 87 Solomon Islanders who were awarded Australian qualifications through the APTC, supporting quality training for skilled workers to fill jobs in the Solomon Islands and across the region.
- Focussed on the long-term employment needs of the aviation and aerospace industry through Aviation Australia's delivery of the Certificate III in Aviation (Remote Pilot AVI30419) VET in Schools program. This program is delivered to high schools in Queensland where students are trained and licensed to operate remote aircraft, based on local industry requirements.

Providing innovative training solutions that meet industry and employer needs in skilling

- Secured \$1 million funding for the Registered Trade Skills Pathway program through DESBT. The program enables individuals that have been working in the Manufacturing and Engineering industry to have their skills recognised and to gain a trade qualification. Certificate III in Recreational Vehicle Manufacturing (MSM31115) is one of the qualifications included in this program which will provide formal qualifications and increase supervision ratios for employers to employ apprentices in this area.
- Partnered with Aerostar to deliver the Diploma of Aviation (Commercial Pilot Licence - Aeroplane) (AVI50219). The 50-week Diploma of Aviation course provides students with all the theoretical and practical knowledge required to complete the Diploma and attain their Civil Aviation Safety Authority (CASA) Commercial Aeroplane Pilot Licence. Aerostar is a flying school based at Parafield Airport in Adelaide's northern suburbs and has been operating for almost 40 years. With a range of different aircraft types, experienced instructors, and excellent training facilities, Parafield offers students an excellent environment to learn their craft.
- Hosted a Cyber Security Breakfast to celebrate the second cohort of students graduating in the Queensland Government's Certificate IV in Cyber Security (22334VIC) program which commenced in 2019.
- Partnered with TORGAS, a not-for-profit organisation, to see 13 students commence a Certificate I in Engineering (MEM10119) at the Bohle Trade Training Centre in January. The 13-week course was funded under the Group Training Organisation Pre-Apprenticeship Program which provides students who aspire to undertake an apprenticeship with short term paid employment while studying. The aim of the program is to reinforce skills and maximise the likelihood of apprenticeship completions.

- Delivered the Certificate II in Autonomous Technologies (10935NAT) as part of a state-wide pilot program designed in consultation with industry. Graduates will be able to demonstrate knowledge and skills required to work in entry level roles within autonomous environments and to undertake further education pathways in a range of technical, engineering, trade and information communication technology and related areas.

Building service excellence across the business

- Commenced the TAFE Queensland Jobs Board, a 12 month pilot that aims to provide TAFE Queensland students with connections to future employers and to provide employers with an easier way to manage their recruitment.
- Launched the new TAFE Queensland Website to enhance the customer experience. The refreshed website is faster, simpler and more secure and gives prospective students an improved digital experience, a new look, better and improved functionality and enhanced online content.
- Released the B2CCRM system on 30 August 2021, which enables front line staff from across the state to view and add their engagement with prospective and current students. This initiative was part of the Admissions and Customer Enquiry (ACE) project which aims to ensure a consistent, customer centric, end-to-end service approach across TAFE Queensland. Developed by the key users, the CRM system and process was a significant investment from all regional stakeholders collaborating to deliver a seamless customer experience.
- Commenced work for the development of an Employer Portal which will allow employers to interact with TAFE Queensland outside of usual business hours, providing them with information relating to their apprentices and trainees studying with TAFE Queensland.

Our People Make Great Happen

TAFE Queensland staff are at the centre of delivering our vision and purpose.

HIGHLIGHTS

- Announced as the 2021 Large Training Provider of the Year at the Queensland Training Awards
- Commenced the journey to become a White Ribbon Accredited Workplace
- Pledged our accountability through the launch of the second Innovate Reconciliation Action Plan (RAP) 2021-2023
- Formed the TAFE Queensland Pride Network
- Rolled out the award-winning e-learning program, Mindarma
- Hosted the TAFE Queensland Digital Transformation Expo

TAFE Queensland Workforce 2022-23*

- Engaged a workforce of 4,247.58 full-time equivalent staff
- Permanent 3,144.03 | Temporary 835.15 | Casual 180.45 | Contract 87.95

* MOHRI FTE data for fortnight ending 17 June 2022

MEETING OUR OBJECTIVES

Building a diverse workforce whose culture embodies the communities we serve

- Progressed key initiatives from the TAFE Queensland Strategic Workforce Plan 2020-24 which identifies a number of key priority areas, including foundation educators and flexible work arrangements.
- Pledged accountability through the launch of the second Innovate RAP 2021-2023 to support the journey of reconciliation, healing and respect for all Australians, further developing and adding to the strategies from the first RAP that was launched in 2018.
- Celebrated National Reconciliation Week 2022 from 27 May to 3 June 2022. Reconciliation Australia's theme for 2022, "Be brave, make change", challenged staff to be brave and tackle the unfinished business of reconciliation to make change for all.
- Commenced development of an Aboriginal and Torres Strait Islander recruitment, retention and professional development strategy.
- Delivered cultural capability training to build a greater understanding of cultural knowledge to support a diverse workforce and student body. The training also aligns to TAFE Queensland's commitment to the RAP and serves to enable staff to embed cultural diversity into all aspects of the organisation.
- Provided staff the opportunity to update their diversity information, in line with the Public Service Commission's Inclusion and Diversity Strategy 2021-2025. Information provided will be used for statistical purposes to identify and develop programs for key diversity groups such as women, people with disability, culturally and linguistically diverse people, the LGBTQIA+ community and young people. This small action can help provide better understanding of the TAFE Queensland workforce and help create a better environment.
- Formed the TAFE Queensland Pride Network, providing a forum for LGBTQIA+ employees and allies across all regions to connect and collaborate in a shared and safe environment. Members have the opportunity to lead discussions and share ideas on how to create and enact inclusive practices at TAFE Queensland. TAFE Queensland also became a member of Pride in Diversity, Australia's national not-for-profit employer support program for all aspects of LGBTQIA+ inclusion. Key membership benefits include TAFE Queensland's access to employee training, professional support, online resources and the opportunity to join with other Pride in Diversity members through roundtable discussions and networking events.

- Recognised staff through the TAFE Queensland Years of Service Recognition Program which acknowledges the services of TAFE Queensland employees and the contribution they have made to the organisation.
- Continued the Connected Leaders programs to develop leadership skills, collaborate with other leaders and drive momentum and improve the organisation.

Building our safety culture and leadership to deliver improved safety performance

- Commenced the journey to become a White Ribbon Accredited Workplace to demonstrate TAFE Queensland's commitment to gender equality and creating a safe workplace for everyone. TAFE Queensland's commitment goes beyond words and will now be assessed and endorsed by experts in the field.
- Rolled out the award-winning e-learning program, Mindarma, to all TAFE Queensland staff. The program is an initiative under the Mental Health and Wellbeing Strategy and is proven to enhance psychological resilience and protect mental health.
- Deployed the 2022 Annual Refresher Training Program to all staff. Completing this program assists in keeping each other safe and healthy at work, and is an important reminder about not only TAFE Queensland's obligations as an employer, but also the responsibilities all staff have to the organisation, colleagues, students and visitors.
- Commenced work to be recognised as a 'Bully Zero Culture of Excellence' branded organisation. This program provides practical support to create a safe, respectful workplace and high performing teams free of bullying, discrimination and negative communication.
- Celebrated Safe Work Month from 1 - 31 October 2021 to raise community and industry awareness of work health and safety, and the benefits of a mentally healthy workplace. TAFE Queensland promoted the newly updated Work Health, Safety and Environment (WHSE) intranet page, invited staff to participate in webinars hosted by WorkSafe Queensland and hosted a series of webinars on mental wellbeing as part of Mental Health Week held from 9 - 17 October.

Enabling all of our people to reach their potential and be partners in our success

- Delivered the 2022 TAFE Queensland Virtual Summit for Educators in January with the theme of 'Enabling Excellence'. The Summit was a one-day professional learning event which was repeated over two days to cater for the number of educators.
- Celebrated International Women's Day on 8 March 2022 by hosting an online panel event, hearing the stories of three inspiring women who shared their stories and insights. The theme for 2022 was #BreakTheBias, and some of TAFE Queensland's team put together a video showcasing students who are breaking through the barriers of traditionally male-dominated trades industries.
- Commenced planning for the expansion and formalisation of the Find Your Apprentice service which is a free service to assist students in securing an apprenticeship. There is ongoing demand from employers and industry for this service across the state that connects employers with job ready recruits.

Building the capability and capacity of our educator workforce, enabling the delivery of innovative education and training that supports industry and future work

- Awarded the 2021 PIEoneer of the Year for the tremendous training outcomes achieved through the APTC on behalf of the Australian Government's Department of Foreign Affairs and Trade, which delivers Australian vocational qualifications aligned to employment opportunities for Pacific Island citizens. The award recognised the team's innovative ideas, including engaging local actors and performers and broadcasting to students via local radio stations to mitigate restricted face-to-face access to educators and the risks of unreliable internet connectivity to access online learning.

- Launched the Continuing Currency Points Scheme to ensure all educators undertake a minimum amount of activity to demonstrate both Industry currency and Teaching currency. Educators must meet the established benchmark within a 12 month period (calendar year). Points are allocated according to the type of activity and the duration.
- Hosted the TAFE Queensland Digital Transformation Expo attracting big-name exhibitors such as Microsoft, Adobe and Amazon Web Services, and presenters from across the ICT industry. The goal of the Expo is to share knowledge and possibilities with TAFE educators, administrators and technologists who will have a role in establishing and delivering the future TAFE Queensland.
- Progressed key initiatives from the TAFE Queensland Educator Capability Professional Learning Plan for 2021 which aims to develop the capability and capacity of all educators, enhance the quality of learning and teaching and is a key enabler in operationalising the Educator Capability Framework and the Educator Capability Strategy.

Attracting and retaining the best people by investing in targeted employment and development practices

- Offered free accredited and non-accredited training to TAFE Queensland staff across a variety of disciplines including workplace skills, business, finance, project management, leadership, workplace health and safety and event management, from Certificate I through to Advanced Diploma level.
- Commenced an educator attraction and recruitment program through TAFE Queensland SkillsTech as a strategy to overcome educator shortages and to build a strong candidate pool for educator succession planning.
- Celebrated World Teacher's Day on 29 October 2021 to formally acknowledge the important role of teachers across the state in helping their students to achieve greatness and to say thank you for their on-going commitment to excellence and for their critical role in underpinning growth and development in the communities we serve across Queensland.

Rewarding and recognising values-based behaviours

- Announced as the 2021 Large Training Provider of the Year at the Queensland Training Awards State Final which showcases the top talent in Queensland's vocational education and training sector.
- Celebrated the TAFE Queensland State Staff Awards on Friday, 15 October 2021 via a hybrid virtual-live event. The event highlighted the stars of the business and provided an opportunity to acknowledge the many teams and individuals who make great happen at TAFE Queensland.
- Acknowledged at the 2021 AUSTAFE Queensland Awards with multiple TAFE Queensland staff recognised for Educational Leadership and Emerging Leaders across the categories of Education and Training and Support Services.
- Honoured at the 2022 APRA Music Awards, with TAFE Queensland receiving the 2022 APRA Licensee of the Year award. The award acknowledges the hard work to ensure the use of APRA member-music is always appropriately licensed.
- Received the High Performance Award, recognising TAFE Queensland's SkillsTech's outstanding implementation of the Leading Teams model and philosophy at the Leading Teams High Performance Awards held in Sydney on 19 May 2022.

Staff Excellence

Carol Webb Award for the Advancement of Vocational Education Teaching Excellence

In 2022, Wendy Cavanagh was recognised for her incredible work in the vocational education and training sector, with the dedicated electrical trainer and passionate mental health advocate receiving the Carol Webb Award for the Advancement of Vocational Education Teaching Excellence — a prestigious scholarship that provides the recipient with the opportunity to undertake further accredited study or a post-graduate qualification.

Wendy, a mother-of-two, was honoured just to have been nominated. For as long as she can remember Wendy had wanted to be a teacher, but after discovering a love of working with her hands during high school, she initially chose to follow her father's footsteps in electrotechnology.

Wendy began her apprenticeship in 1989, undertaking her training at TAFE Queensland's Nambour campus, the very campus where she now teaches. Keen to help the next generation begin their journeys into the electrical industry, Wendy became a trainer at TAFE Queensland in 2018, combining her childhood dream of being a teacher with her passion for trades.

Since then, Wendy has been a source of inspiration to her students as a female leader in a male-dominated industry and has earned the respect of local industry for her holistic approach to training. From creating individual learning plans with struggling students and personalising her delivery methods to ensure no student gets left behind, to proactively approaching industry offering to mentor their apprentices, Wendy goes above and beyond to instil positive practices in her students and set them up for success.

But it's Wendy's efforts as a champion for mental health awareness in the trades sector that has made the biggest impact on TAFE Queensland's students, with the proud advocate completing several mental health support and suicide prevention programs with the goal of supporting students and apprentices in all aspects of their lives, not just their studies.

Wendy has applied to undertake a Bachelor of Education in 2022 with the goal of becoming an even better teacher for her students and hopes to put her Carol Webb Award scholarship to good use building even more skills she can pass on to her students.

Exceptional Student Experiences

TAFE Queensland delivers contemporary skills and training to prepare students for the jobs of today and the required upskilling and reskilling for future work.

HIGHLIGHTS

- Partnered with Top 100 Women in Construction
- Delivered an intensive Women in Leadership and Women in Welding program under the Workforce Transition Support Program
- Commenced delivery of the Adult English Language Program in Gatton to support rural workers
- Launched a mixed mode learning model for Western Queensland students wishing to complete a Certificate III in Individual Support - Ageing, Home and Community
- Partnered with Currumbin Wildlife Sanctuary to build skills within their existing and new leadership team

MEETING OUR OBJECTIVES

Providing access and equity to training for students from diverse backgrounds

- Partnered with Top 100 Women in Construction to train, support and connect the increasing number of women currently building lifelong trade careers across Queensland and delivered the Women in Construction Pre-Apprenticeship Program, a 10-week program for girls and women interested in pursuing a career in the construction industry.
- Commenced delivery of the Adult English Language Program in Gatton to support rural workers from around the area. English language is taught with the focus on employment needs and developing digital literacy skills, helping to improve the ongoing employability in the agriculture sector locally.
- Offered virtual training to students from Papua, Indonesia while international borders remained closed. Thirty-three students are studying the TAFE Queensland Marketing skill set and are motivated to continue their studies face-to-face on a TAFE Queensland campus in Semester 2, 2022.
- Held various activities across the state to celebrate NAIDOC Week 4 – 11 July and take part in celebrating the culture of Australia's First Nations people.

Building learning environments that enable community-centric training delivery

- Commenced development of Security Operation Centres at Southbank, Coomera, Mooloolaba and Cairns campuses. The Security Operation Centres, funded under the Queensland Government's Equipping TAFE For Our Future initiative, will ensure TAFE Queensland has the latest technology, hardware and software to deliver the cybersecurity training that industry so desperately needs.
- Signed a new partnership agreement between the APTC and the National Institute of Workforce Development in Timor-Leste that will see greater collaboration to strengthen TVET systems, and support skills development training for Timorese citizens.

Delivering applied learning that enables a seamless transition from learning to the workplace

- Launched a mixed mode learning model for the Western Queensland region for students wishing to complete a Certificate III in Individual Support - Ageing, Home and Community (CHC33015). Students attend either Roma or Charleville campus for practical components four times a year, with vocational placement arranged in students' local areas.
- Participated in the IRONMAN Mooloolaba Triathlon festival with the Diploma of Event Management and Diploma of Hospitality Management students working with IRONMAN Athlete Services in the lead up to the event, preparing for registration of 5,500 athletes across the weekend. They also helped to manage the swim start for the Sprint Triathlon and transition venue for the event.

- Assisted behind the scenes at Eurovision Australia Decides, with Diploma of Screen and Media (film and TV and interactive) students working across stage management, set dressing, talent management, camera, audio and editing.
- Entered into a Flight Training Agreement between Aviation Australia and Central Queensland University (CQU) to provide multi-crew cooperation (MCC) pilot training to CQU students as part of their bachelor program. The training received very positive feedback from students on the course and the standard of instruction received.

Delivering future-focused training that builds, upskills and reskills the workforce throughout their career

- Commenced activities under the Workforce Transition Support Program, a \$5 million, 15-month initiative delivered by TAFE Queensland under the Department of Employment, Small Business and Training (DESBT) Future Skills Fund, a suite of initiatives focusing on skills attainment for jobs of the future to ensure future training meets the needs of industry and the post COVID-19 economy.
- Delivered an intensive Women in Leadership and Women in Welding program under the Workforce Transition Support Program, aimed at covering practical and theory in construction and fabrication and providing women with leadership skills to succeed in a male dominated environment.
- Focused on re-skilling employees displaced from sectors severely affected by the pandemic as part of COVID-19 recovery efforts in Samoa. This was achieved through APTC's collaboration with the National University of Samoa and the Samoa Business Hub under the Government of Samoa's stimulus package to deliver short courses in hospitality programs.
- Partnered with Currumbin Wildlife Sanctuary to build skills within their existing and new leadership team to ensure that new staff are supported while being able to learn how to multi skill to meet the needs of the business. TAFE Queensland is currently delivering the Certificate IV in Leadership and Management (BSB40520), and the Certificate IV in Work Health and Safety (BSB41419) to several teams on site.

Providing support and positive experiences across the entire student journey

- Delivered a new online orientation package to students commencing study in Semester 1, 2022 with a reviewed and updated Student Online Orientation, Student Handbook and Orientation PowerPoints.
- Conducted the Early Experience Survey Semester 1, 2022 between 10 and 28 February 2022. A total of 8,368 students had completed one or more questions, a TAFE Queensland Response Rate of 26.6%. The results show that during the survey period, 92% of TAFE Queensland's newly commencing students were 'overall, satisfied with their TAFE Experience so far' which is a strong result and above the 90% target.
- Endorsed the TAFE Queensland Student Success and Retention Plan for VET and Higher Education on 31 July 2021, which aims to create an ideal student experience for all learners that drives successful student outcomes. Quality reviews have been systemically implemented to support this plan.
- Deployed the Student Satisfaction Survey in November 2021 and May 2022. The Semester 2, 2021 survey showed that 88.1% of the semester's students were 'overall, satisfied with the training'.
- Commenced aeroskills delivery to Aviation Australia's first Female Aircraft Maintenance Engineer (FAME) cohort in January 2022. The cohort is incorporated into the Queensland Government funded institutional Certificate IV in Aeroskills courses. The FAME initiative is designed to support female students in their studies and allow them to establish a network within aircraft maintenance trades throughout their off-the-job training.

Student Excellence

TAFE Queensland SkillsTech Apprentice Awards

Held the fourth annual TAFE Queensland SkillsTech Apprentice Awards on 25 November 2021, an event to celebrate the achievements of SkillsTech students, with over 300 guests attending including apprentices, employers, industry representatives, sponsors and TAFE Queensland staff.

Mount Isa Trade Excellence Awards

Celebrated the achievement of some of TAFE Queensland's most outstanding apprentices at the TAFE Queensland 2021 Mount Isa Trade Excellence Awards.

Foodservice Australia Expo

Two TAFE Queensland international graduates, Dino Yan Ng and Phyo Hein Kyaw, took out bronze at the Foodservice Australia Expo in Melbourne in February 2022. Dino and Phyo attended the competition with their stage three teacher from TAFE Queensland, Andrew McKenzie, who supported them as their team kitchen manager.

The hospitality industry gathered at the trade show and competed in the Australian Culinary Federation Restaurant Challenge, which saw eight national teams of chefs pit their skills against each other and against the clock, to prepare, cook, and serve a two-course menu for 44 guests and judges.

Dino then began working as a Demi chef at the W Brisbane 5-star hotel and Phyo began working as a Demi Chef at Elska Restaurant in Brisbane, Gourmet Traveller's 2022 Queensland Restaurant of the Year.

National Association of Women In Construction (NAWIC) Awards for Excellence

Attended the NAWIC Crystal Vision awards night on 22 October 2021 to support Women in Trades. Attendees included seven SkillsTech NAWIC award nominees, with Wall and Floor Tiler, Melanie Sweeney, winning the BUSSQ Super Award for Young Achiever of the Year and third year Refrigeration/HVAC apprentice technician, Natasha Kirchner, winning the CSQ Tradie of the Year award.

WorldSkills Australia National Championships

Participated in the WorldSkills Australia National Championships, a series of events held at TAFE Queensland campuses in August 2021, competing for a national gold, silver or bronze medal announced on 27 October 2022. Thirty TAFE Queensland apprentices and trainees picked up top awards as well as three teachers receiving recognition for their commitment to the competition.

TAFE Queensland's Jewellery Apprentice Awards

Hosted TAFE Queensland's Jewellery Apprentice awards on 5 November 2021 to celebrate the talent and creativity of Certificate III in Jewellery Manufacturing (MEM3605) graduates, with two fourth-year apprentice jewellers sharing the top honour of Jewellery Apprentice of the Year, Brock Hodgson and Paul Armstrong.

A Sustainable and Socially Responsible TAFE Queensland

TAFE Queensland works collaboratively with governments, industry and our communities to deliver training to support economic growth and community prosperity.

HIGHLIGHTS

- Commenced construction work on various sites across the state through the Equipping TAFE for our Future project, in conjunction with DESBT
- Completed facility upgrades and improvements at Cairns, Pimlico, Toowoomba, Mount Gravatt, Cairns and Alexandra Hills
- Supported disadvantaged and marginalised students, opening access to training through the delivery of a range of initiatives and programs
- Established the TAFE Queensland Foundation
- Officially opened the new Acacia Ridge Heavy Plant (Automotive) Centre of Excellence and the Caravan Industry Training facilities
- Officially opened the second and final stage of the Fashion Centre of Excellence at the Mount Gravatt campus
- Awarded over \$400,000 in TAFE Queensland scholarships to assist students

MEETING OUR OBJECTIVES

Leveraging our scale and scope to enhance access to training across our state and target markets

- Delivered additional training places in short courses, certificate and diploma qualifications to Queensland job seekers, school leavers and young people under the Queensland Government's JobTrainer program.
- Experienced a significant increase in apprenticeship and traineeship training numbers following the announcement of the Free Apprenticeships for Under 25's initiative by the Queensland Government.
- Connected jobseekers with training and skills development linked to real jobs in the region under the Queensland Government's Back to Work Employment programs.

Using market insights and data to influence the policy agenda

- Enrolled students as part of the Queensland Government's Free TAFE for under 25s training in high priority qualification areas.
- Delivered training under the TAFE Priority Skills Fund to grow training places in priority industries, both new and emerging.
- Partnered with DESBT to offer the Higher Level Skills program to assist individuals to gain the higher-level skills required to secure employment or career advancement in a priority industry, or to transition to university to further their studies.

Provide contemporary and flexible training infrastructure that best supports current and emerging community training needs

- Continued work on the development of the Robina campus which aims to ensure that sustainability is embedded into every aspect of campus operations including campus design, fit out, course curriculum, campus culture and student life. TAFE Queensland is leading the way as a sustainable vocational institution in Australia.
- Officially opened the new Acacia Ridge Heavy Plant (Automotive) Centre of Excellence and the Caravan Industry Training facilities on 18 August 2021 which are part of \$6.65 million worth of upgrades at the Acacia Ridge campus. Students and industry will benefit from the new, specialised infrastructure that will enable TAFE Queensland to offer training in Heavy Plant (Automotive) and Recreational Vehicle related studies.

- Completed works across the Cairns facilities upgrades, Pimlico, Toowoomba, Mount Gravatt and Alexandra Hills, through the Queensland Government's \$85 million investment as part of The Advancing our Training Infrastructure strategy (AOTI) in collaboration with DEBST.
- Completed works at the Bohle campus Maker Space, an Innovation Hub to provide education and training areas in advanced manufacturing, thanks to investment by the Queensland Government.
- Officially opened the second and final stage of the Fashion Centre of Excellence on 8 September 2021 at the Mount Gravatt campus, confirming TAFE Queensland as Queensland's leading specialist training campus in fashion, fabric and textile arts.
- Commenced construction work on the Toowoomba Scientific Lab (Stage 2 Rural Centre of Excellence), Cyber Security Operation Centre at the Mooloolaba campus and Hervey Bay campus Nursing Facilities, through the Equipping TAFE for our Future project in conjunction with DESBT through the Queensland Government's \$100 million investment. Design works continue for Bundamba Metal Trades, Manufacturing and Robotics Centre (Stage 2), South Bank Cyber Security Operation Centre, Cannonvale Aquaculture Facility and the Bowen Agriculture Centre of Excellence.
- Continued works on the Ashmore Plumbing Tower, Bundaberg Trade Modernisation, Coomera Marine Facilities and Mt Isa Engineering Modernisation through the Australian Government's Revitalising TAFE Campuses Across Australia program jointly with DESBT.
- Announced as one of three finalists worldwide for a sustainability-focused construction award in the World Federation of Colleges and Polytechnics 2022 Awards of Excellence for TAFE Queensland's Robina campus, which was nominated for its demonstrated commitment to sustainability.
- Recognised as a finalist in the 2021 Premiers Awards for Excellence, Infrastructure and Manufacturing category for Southport's Nursing and Allied Health, funded under the AOTI initiative.

Promoting the distinct benefits of the TAFE Queensland community

- Supported cross border collaboration and sharing of resources with various organisations that will provide efficiencies and drive the ongoing management and development of high-quality product across the TAFE sector.
- Delivered a bespoke remote pilot course by Aviation Australia to an international maritime crew as part of the Pacific Maritime Security Program between TAFE Queensland and the Federal Government. The two-day course incorporated essential flying skills, flight programming and maintenance of remotely piloted aircraft to enable the maritime crew to use drones for offshore surveillance and reconnaissance.

Supporting the social and economic priorities of communities

- Established the TAFE Queensland Foundation to oversee all fundraising activities and to develop industry partnerships and a strong philanthropic network to enable equitable training access across Queensland communities. In 2020-22, TAFE Queensland awarded over \$400,000 in TAFE Queensland scholarships to assist students achieve their study and career goals.
- Actively promoted the TAFE Queensland Social and Environmental Sustainability Action Plan 2020-24 to staff, students and the community, through an online video and social media campaign. The plan aims to support TAFE Queensland to become more economically, socially and environmentally sustainable. A committee has been formed and meets regularly to identify and discuss matters for areas of improvement in sustainable practices.

OUR FUTURE DIRECTION

TAFE Queensland's vision is to be the leading provider of vocational education and training that is at the heart of community success.

In 2019, TAFE Queensland developed a four-year strategic plan which provided a greater focus on working with stakeholders to determine the future of work, investing in our people and focusing on innovative solutions to the ways in which we operate and deliver education and training.

TAFE Queensland's 2020-24 Strategic Plan can be viewed in full on the TAFE Queensland website.

In October 2022, the TAFE Queensland Board will participate in a Strategic Planning Workshop to determine the future priorities for TAFE Queensland, going forward.

Management and Structure

Our Governing body

TAFE Queensland's governing body is the TAFE Queensland Board. The Board was established in August 2013 under section 12 of the *TAFE Queensland Act 2013* (TQ Act).

The Board's mandate is to ensure it operates in accordance with TAFE Queensland's Operational Plan and, as far as possible, achieves the performance targets and objectives stated in the plan. The Board is also accountable to the Minister for its performance (as required under the TQ Act) and to ensure it otherwise performs its functions in a proper and efficient way.

Through the TQ Act, the Minister provides the Board with a Statement of Expectations outlining the Queensland Government's expectations and priorities for TAFE Queensland.

The Board currently has six members who have varied professional backgrounds and experience. They are eligible for appointment under the TQ Act if they have direct industry experience and/or experience in the employment, education or training sector, and/or possess skills, experience or expertise in commerce, corporate governance, economics, finance, law or management. At least one member of the board must be an Aboriginal person or Torres Strait Islander.

Two committees assist the Board in meeting its responsibilities - the Audit, Finance and Risk Management Committee (AFRC) and the People, Culture and Safety Committee (PCSC).

The membership of each committee comprises a minimum of three members of the Board and the Board Chair.

TAFE Queensland Board

Name	Role	Current Appointment Term
Jane Seawright	Chairperson	27 May 2021 - 26 May 2025
Trina Hockley AM	Member	1 December 2018 - 30 November 2022
Kay Giles	Member	1 December 2018 - 30 November 2022
Andrew Dettmer	Member	1 December 2018 - 30 November 2022
Bron Davies	Member	27 May 2021 - 26 May 2025
Peter Price	Member	27 May 2021 - 26 May 2025
Vacant	Indigenous Member	

Dr Valerie Cooms was appointed on 27 May 2021 as the Indigenous representative for the TAFE Queensland Board. Dr Cooms tendered her resignation in March 2022.

Profiles of TAFE Queensland Board members are located on the TAFE Queensland website <https://tafeqld.edu.au/about-us/who-we-are/board.html>

Board business 2021-22

The Board is committed to the highest standards of governance ensuring that it performs its functions in a proper, effective and efficient way. During 2021-22, the Board met their legislated requirements through the TAFE Queensland Strategic Plan 2020–24 and submission of the TAFE Queensland Operational Plan 2022-23 to the Minister.

Through the plans, the Board reinforced its commitment to delivering the Queensland Government's objectives for the community, including the delivery of sustainable and responsive training services for Queenslanders.

This year, the Board held seven meetings and eight committee meetings. More information on the Board can be found online at tafeqld.edu.au.

Financial reporting arrangements

TAFE Queensland is audited by the Auditor-General and transactions are accounted for in the financial statements approved by the Board each year. TAFE Queensland's financial statements for 2021-22 can be found at page 25 of this Annual Report.

Risk Management and Accountability

Audit, Finance and Risk Management Committee

The AFRC advises the Board in relation to the operation of financial control, the implementation of systems and processes to identify and manage risks, the maintenance of regulatory and other compliance requirements and the integrity of the financial statements and reports.

The AFRC has engaged EY to administer the internal audit program with TAFE Queensland subject to an annual external audit conducted by the Queensland Audit Office (QAO).

The AFRC maintains oversight of these audits and the Chief Financial Officer coordinates the audits. Both internal and external auditors are invited to participate in every AFRC meeting. Their attendance supports the effectiveness of the audit function and provides opportunities for continual improvement regarding the management of risks.

TAFE Queensland conducts risk management activities in accordance with the international standard for risk management.

The Board maintains Risk Appetite Statements that guide the decision-making frameworks across the organisation and manages quarterly reviews of known and emerging risks via the TAFE Queensland Executive, this committee and the Board, including the establishment and monitoring of mitigation strategies.

The members of the AFRC for 2021-22 were Bron Davies (Chair), Jane Seawright, Peter Price and Trina Hockley.

Internal audit

TAFE Queensland's compliance obligations remained a key focus for the AFRC, aided by the involvement of EY, in conjunction with the QAO, to deliver a program of audit work for 2021-22.

The specific scope of work is set by the annual audit plan which in 2021-22 included assessment of:

- processes for managing the framework of funding initiatives, including the processes for monitoring and reporting the compliance and maximisation of these initiatives;
- project management governance over two specific ICT systems implementation (Business to Employer (B2E) Student Booking System and the Aurion system);

- design and effectiveness of key controls for budgeting and forecasting across TAFE Queensland, including the role of the regions in this process and the use of the Business Intelligence platform;
- controls to enable conversion of student interactions into enrolments, including coverage over the outcomes of the ACE project; and
- management of debt, including how this is tracked and followed up through the Student Management System.

TAFE Queensland's risk management and internal audit activities are cognisant of key legislative requirements such as those stipulated under the TQ Act and the FAA. The activities were also undertaken with due regard to the Queensland Treasury Audit Committee Guidelines.

External scrutiny

TAFE Queensland is subject to external review. The following reports were tabled in Parliament by the Queensland Auditor-General during 2021-22:

- 2021 status of Auditor-General's recommendations (Report 4: 2021/22)
- State finances 2021 (Report 13: 2021-22)

For more information, refer to either:

- the QAO website <https://www.qao.qld.gov.au/>
- Queensland Parliament website <https://www.parliament.qld.gov.au/>

For information about reviews conducted by the Queensland Training Ombudsman (QTO) during 2021-22 involving TAFE Queensland, refer to the QTO website at

<https://trainingombudsman.qld.gov.au>

Information systems and record keeping

TAFE Queensland, as a public authority under the *Public Records Act 2002 (Qld)*, must make and keep full and accurate records of its activities and have regard to any relevant policy, standards and guidelines made by the State Archivist about the making and keeping of public records.

In 2021–22, TAFE Queensland continued to take a proactive approach to meeting its regulatory obligations and demonstrating its commitment to compliant recordkeeping practices.

TAFE Queensland continued to improve and mature its recordkeeping practices with the implementation of Technology One's Enterprise Content Management System (ECM) as a replacement to Hewlett Packard Enterprise Content Manager (HPECM).

ECM provides staff with a central recordkeeping system to use for managing records across the organisation with access now available to all staff upon request. All records stored in the former system (HPECM) have been migrated to ECM to provide staff with continued access to these records.

The ECM solution provides TAFE Queensland with broader access for all TAFE Queensland staff at a lower cost and new functionality. ECM stores in excess of 443,000 business related records across a range of disciplines.

TAFE Queensland maintains a central recordkeeping team to support the organisation's management of ECM including level one helpdesk support, user account management, user training in recordkeeping practices and ECM usage. The recordkeeping team continue to enhance organisation-wide recordkeeping maturity and discipline by promoting good recordkeeping practices to all staff and encouraging uptake of ECM for managing TAFE Queensland records.

All records created or received by TAFE Queensland are retained in accordance with Queensland State Archives General Retention and Disposal Schedule (GRDS) which administers non-training records and the TAFE Queensland Retention and Disposal Implementation Version (TQRAD IV) which administers education and training records.

Human rights

The *Human Rights Act 2019* includes reporting obligations on public entities that are required to prepare an annual report under section 63 of the FA Act, including the details of actions taken to further the objects of the Act; details of reviews of policies, programs, procedures, practices or services undertaken for compatibility with human rights; and details of human rights complaints received by the entity.

In 2021-22, TAFE Queensland has taken a proactive approach to further the objectives of the *Human Rights Act 2019*. TAFE Queensland continues to review and undertake amendments to policies and procedures, and the business practices underpinning these, to address the organisation's human rights responsibilities.

In 2021-22, TAFE Queensland has not received any complaints under the *Human Rights Act 2019*.

Human Resources

People, Culture and Safety Committee

The PCSC advises the Board on matters involving work, health and safety, human resources, board performance and executive management, including the performance of the CEO.

During the year, the PCSC continued to focus on improving safety culture across the organisation including oversight of TAFE Queensland's ongoing response to COVID-19 and implementation of the Codes of Practice.

The Committee also worked with management on the ongoing development of a health safety and environmental management plan (HSEMP), Safe at TAFE, which provides a high level guide on how TAFE Queensland systemically manages Work Health, Safety and Environment (WHSE) across its business, including meeting its WHSE obligations. Further work was also conducted on CEO succession planning.

The members of the PCSC for 2021-22 were Andrew Dettmer (Chair), Jane Seawright, Dr Valerie Cooms and Kay Giles.

Strategic Workforce Planning and Performance

Focusing on the strategies contained in the TAFE Queensland Workforce Plan 2020-24 (the Workforce Plan), TAFE Queensland continues to drive operational activities that support the key people and safety initiatives from the TAFE Queensland Strategic Plan 2020-24.

The Workforce Plan outlines the key initiatives proposed for the four year period that will enable our people to make great happen. People safety and wellbeing is a critical priority and TAFE Queensland continues to nurture a diverse and inclusive workplace culture.

TAFE Queensland retains a motivated workforce, and engages new talent, with access to contemporary and flexible work options and the practice of rewarding and recognising values-based behaviours. The organisation promotes career pathways supported by opportunities for professional development and capability building, ensuring the preparedness of the workforce for jobs of the future.

The dynamic environment in which TAFE Queensland operates dictates an annual review of the Workforce Plan to ensure continued alignment to the TAFE Queensland Strategic Plan 2020-24.

Delivery of future workforce initiatives will now incorporate aspects of the new brand attributes of 'innovative, progressive and authentic'.

A revised professional development policy provides broad opportunities for the workforce mix of TAFE services and educational employees to reach their potential. Employees can enrol in a selection of TAFE Queensland funded accredited training programs in addition to support for other professional development and study and assistance programs.

TAFE Queensland attracts exceptional talent by leveraging the value proposition and investing in targeted practices that result in a positive candidate experience. An upgrade to Aurion, the Human Resources Information System, now incorporates recruitment and on-boarding modules that streamline processes for all hiring managers and human resources teams.

Employee satisfaction is consistently high and engagement with employees is continuous to measure employee sentiment. TAFE Queensland deploys early experience surveys, exit surveys and COVID-19 wellbeing surveys as additional measurement components. Annual employee engagement surveys use the same contemporary online platform, providing real time data to inform action plans to maintain or increase satisfaction and engagement levels.

TAFE Queensland has established a Pride Network, supporting a diverse workforce whose culture embodies the communities we serve. The network enables LGBTQIA+ employees and allies to connect and collaborate in a shared environment, to lead discussions and ideas generation on creating and enacting inclusive workplace programs.

Workforce diversity encourages recognition of days of significance in varied ways each year. TAFE Queensland supports gender equality and celebrated International Women's Day with a state-wide live-stream panel discussion broadcast that included key industry partners who shared their #BreakTheBias stories.

TAFE Queensland is a socially responsible organisation and acknowledges the impacts of Domestic and Family Violence (DFV) in the communities we serve. Proudly supporting DV Safe Phone and the Darkness to Daylight Challenge, the TAFE Queensland workforce has undertaken training to recognise and respond to incidents.

A DFV policy and procedure with linkages to support services are available, as is access to the Employee Assistance Program.

The TAFE Queensland Staff Awards program remains a key component of the reward and recognition strategy and comprises award categories which align to TAFE Queensland values. Awards are first contested at the region/corporate level with the winners from each category progressing to the TAFE Queensland State Staff Awards. The program, designed to recognise and reward the stars of the business, has expanded to include a Diversity and Cultural Contribution award category.

Safety First

TAFE Queensland continues to invest in work health, safety and wellbeing and to visibly demonstrate the *Safety First* value at workplaces across the state.

A *Safety First* culture enabled TAFE Queensland to respond quickly and effectively to the COVID-19 pandemic. TAFE Queensland stood up its Strategic Emergency Response Team and associated regional emergency response teams to manage a threat that it had not foreseen as a part of its business continuity and emergency preparedness processes. Within a very short period, TAFE Queensland mobilised more than half of its workforce across the state to working from home and ably adapted to maintain the majority of training delivery and services across the state.

As a 'safety first' organisation, the health and safety of staff, students and visitors is paramount. TAFE Queensland takes every precaution possible to ensure people are safe where they work and study and is always be committed to providing a safe, healthy and productive work environment for everyone.

TAFE Queensland deployed the 2022 Annual Refresher Training Program to prepare and keep each other safe in the year ahead. Refresher training must be completed by all employees on an annual basis and follows the initial completion of mandatory, on-boarding training for all staff. The program focuses on employees' obligations and expectations in relation to conduct, work health and safety, and information privacy and security.

Communication and clear messaging amidst a changing and unknown landscape were critical in TAFE Queensland's COVID-19 response.

Timely communications published by TAFE Queensland helped everyone to understand what was expected to manage the risks and minimise exposure to the COVID-19 virus.

Risk assessments were developed for face-to-face training activities to identify controls necessary to protect staff and students. To keep staff connected during the height of the pandemic, TAFE Queensland developed and implemented a mental health 'Check In' application for all employees. Additionally, access to the employee assistance program was prioritised with a significant increase in information and support becoming available to help staff manage associated changing work and life demands.

TAFE Queensland's *Mental Health and Wellbeing Strategy 2019-22* has been developed to equip staff with skills, experience and tools to identify and nurture positive mental health and wellbeing. The strategy supports the overarching TAFE Queensland Work Health, Safety and Environment Strategy.

To ensure a more collaborative response to incident and rehabilitation management under the SAFE at TAFE Framework, TAFE Queensland is progressing implementation of a new ICT Solution (Incident Management System) for the business. The new system will allow for a streamlined process when managing Incidents, Rehabilitation and Return to Work and Risk Management.

South East Queensland experienced large scale flooding in 2020-21, which affected numerous campuses across the state, and individually impacted staff. TAFE Queensland responded quickly to the natural disasters and effectively implemented the TAFE Queensland Emergency Response Plan to ensure the safety of employees and students while the events were unfolding. The ability to mobilise the workforce, activate flexible work arrangements and ensure continuity of service delivery for students and stakeholders was instrumental in a successful response to the significant weather events.

Employee relations framework

TAFE Queensland is committed to providing fair and transparent consultation processes with employees and unions. This commitment is supported through regional Local Consultative Committees and the TAFE Queensland Consultative Committee, joint forums comprised of employee and employer representatives who meet on a quarterly basis to encourage and promote cooperative partnerships through effective communication and consultation.

In consultation with relevant unions, TAFE Queensland is accomplishing the commitments contained in the TAFE Queensland Educators Certified Agreement 2019 and the TAFE Queensland (TAFE Services Employees) Certified Agreement 2019.

The commitments are of varying complexity and scope, and incorporate the development of a range of support materials, including flexible work arrangement application provisions, in the policy and procedure framework. Preparations for the negotiation of replacements to the current certified agreements is underway, with their nominal expiry being 30 June 2023 and 31 August 2022 respectively.

Effective 28 February 2022, a range of provisions contained in the *Public Service Act 2008* were extended to TAFE Queensland. TAFE Queensland is actively engaged in the amendment, implementation and application of policies, procedures and practices, in accordance with the legislative reforms, to support enhanced employment security and positive performance management.

Public sector ethics

TAFE Queensland is defined as a Queensland public service agency for the purposes of the *Public Sector Ethics Act 1994* and, as such, must comply with the *Code of Conduct for the Queensland Public Service* (the Code of Conduct).

TAFE Queensland's Working with TAFE: Conduct, Ethics and Performance Policy supplements and sets out in further detail the expectations of workplace behaviours of TAFE Queensland employees including in the areas of conflicts of interest, fitness for duty and protecting students from harm. TAFE Queensland's policy and procedures cover all aspects of compliance with the public service ethics principles and incorporates the Code of Conduct in its workforce management policy and procedure framework.

In 2020-21, TAFE Queensland continued to demonstrate its commitment to integrity through the upskilling of Human Resources (HR) practitioners in case management and delivery of education sessions to managers and HR practitioners on their responsibilities under human rights legislation by the Queensland Human Rights Commission.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

ABN 72 898 805 093

Contents

	Page
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Equity	28
Statement of Cash Flows	29
1 Basis of Financial Statement Preparation	32
2 Controlled Entities	34
3 Joint Arrangements	35
4 Sales of Goods and Services	35
5 Grants and Contributions	36
6 Employee Expenses	38
7 Supplies and Services	39
8 Other Expenses	40
9 Cash and Cash Equivalents	40
10 Receivables and Contract Assets	40
11 Other Assets	42
12 Property, Plant and Equipment	43
13 Right-of-use Assets	47
14 Intangible Assets	48
15 Investments Accounted for using the Equity Method	50
16 Payables	50
17 Employee Benefits	51
18 Lease Liabilities	51
19 Other Liabilities	52
20 Commitments	52
21 Contingencies	53
22 Climate Change	53
23 Financial Risk Disclosures	53
24 Events After the Balance Date	55
25 Future Impacts of Accounting Standards Not Yet Effective	55
26 Budget vs Actual Comparison	56
27 Key Management Personnel Disclosures	60
28 Related party transactions	63
29 First Year Application of New Accounting Standards and Changes in Accounting Policy	64

TAFE Queensland
Statement of Comprehensive Income
For the year ended 30 June 2022

	Note	Consolidated		Parent	
		2022 \$'000	2021 Restated* \$'000	2022 \$'000	2021 Restated* \$'000
Income					
Sale of goods and services	4	237,762	261,473	229,739	255,786
Grants and contributions	5	464,701	397,295	454,775	387,490
Share of profits of joint ventures accounted for using the equity method		1,378	3,739	-	-
Interest		39	69	34	51
Other income		8,605	5,526	5,057	3,035
Total income		712,485	668,102	689,605	646,362
Expenses					
Employee expenses	6	487,287	453,049	475,073	441,377
Supplies and services	7	202,145	186,237	195,532	180,972
Depreciation and amortisation		17,479	18,454	14,076	15,429
Finance/borrowing costs		2,003	2,236	179	357
Other expenses	8	7,781	7,622	7,483	7,940
Total expenses		716,695	667,599	692,343	646,075
Operating result for the year		(4,210)	503	(2,738)	287
Other comprehensive income					
<i>Items that will not be reclassified to operating result</i>					
Increase in asset revaluation surplus	12	7,800	195	254	195
Total other comprehensive income		7,800	195	254	195
Total comprehensive Income/(loss)		3,590	698	(2,484)	482

- See note 29 for details regarding the restatement as a result of application of Service-as-a-Software arrangements.

The accompanying notes form part of these statements.

TAFE Queensland
Statement of Financial Position
As at 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	Restated* \$'000	\$'000	Restated* \$'000
Current assets					
Cash and cash equivalents	9	98,183	158,202	87,556	148,005
Receivables and Contract Assets	10	134,503	102,468	130,766	100,406
Inventories		627	595	516	500
Other current assets	11	14,823	14,704	14,121	13,988
Total current assets		248,136	275,969	232,959	262,899
Non-current assets					
Property, plant and equipment	12	86,501	59,922	71,269	51,586
Right-of-use assets	13	57,059	61,076	9,515	11,164
Intangible assets	14	31,123	27,872	29,443	26,462
Investments accounted for using the equity method	15	4,761	6,155	-	-
Other non-current assets	11	1,568	1,739	429	600
Total non-current assets		181,012	156,764	110,656	89,812
Total assets		429,148	432,733	343,615	352,711
Current liabilities					
Payables	16	46,057	40,576	44,744	39,067
Accrued employee benefits	17	14,995	13,473	13,568	12,146
Lease liabilities	18	2,602	2,699	1,754	1,773
Other current liabilities	19	37,683	49,342	35,497	47,702
Total current liabilities		101,337	106,090	95,563	100,688
Non-current liabilities					
Accrued employee benefits	17	259	345	-	-
Lease liabilities	18	67,944	70,054	8,958	10,220
Other non-current liabilities	19	355	580	355	580
Total non-current liabilities		68,558	70,979	9,313	10,800
Total liabilities		169,895	177,069	104,876	111,488
Net assets		259,253	255,663	238,740	241,223
Equity					
Contributed equity		181,445	181,445	170,096	170,096
Revaluation surplus		10,449	2,649	2,903	2,649
Retained earnings		67,359	71,569	65,741	68,478
Total equity		259,253	255,663	238,740	241,223

- See notes 12 and 14 for details regarding the restatement of work in progress from Intangible assets to Property, plant and equipment.
- See note 29 for details regarding the restatement as a result of application of Service-as-a-Software arrangements.

The accompanying notes form part of these statements.

TAFE Queensland
Statement of Changes in Equity
For the year ended 30 June 2022

	Retained Earnings		Asset Revaluation Reserve		Contributed Equity		Total	
	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000	Consolidated \$'000	Parent \$'000
Balance at 1 July 2020	71,427	68,552	2,454	2,454	181,445	170,096	255,326	241,102
Adjustment relating to change in accounting policy (note 29)	(362)	(362)	-	-	-	-	(362)	(362)
Restated balance at 1 July 2020	71,065	68,190	2,454	2,454	181,445	170,096	254,964	240,740
Restated operating result (note 29)	503	287	-	-	-	-	503	287
Increase in revaluation surplus	-	-	195	195	-	-	195	195
Restated balance at 30 June 2021	71,569	68,478	2,649	2,649	181,445	170,096	255,663	241,223
Operating result	(4,210)	(2,738)	-	-	-	-	(4,210)	(2,738)
Increase in revaluation surplus	-	-	7,800	254	-	-	7,800	254
Balance at 30 June 2022	67,359	65,741	10,449	2,903	181,445	170,096	259,253	238,740

The accompanying notes form part of these statements.

TAFE Queensland
Statement of Cash Flows
For the year ended 30 June 2022

	Note	Consolidated		Parent	
		2022	2021	2022	2021
		\$'000	Restated* \$'000	\$'000	Restated* \$'000
Cash flows from operating activities					
Sales of goods and services		224,691	196,944	218,320	191,927
Grants and contributions		444,841	469,557	434,432	459,154
GST input tax credits from ATO		20,364	17,398	20,364	17,303
Interest received		37	70	32	52
Other receipts		8,591	5,397	5,057	2,907
Employee expenses		(487,692)	(465,872)	(475,534)	(454,283)
Supplies and services		(218,146)	(203,467)	(211,325)	(198,321)
GST remitted to ATO		(7,653)	(5,783)	(7,653)	(5,783)
Finance / borrowing costs		(2,003)	(2,236)	(178)	(358)
Other payments		(7,962)	(6,257)	(7,671)	(6,030)
Net cash (outflow) inflow from operating activities	(i)	(24,932)	5,751	(24,156)	6,568
Cash flows from investing activities					
Dividends received		2,772	1,277	-	-
Sales of property, plant and equipment		14	129	-	129
Payments for property, plant and equipment		(28,009)	(16,266)	(27,814)	(15,693)
Payments for intangible assets		(7,360)	(4,121)	(6,900)	(3,371)
Net cash (outflow) from investing activities		(32,583)	(18,982)	(34,714)	(18,936)
Cash flows from financing activities					
Borrowing redemptions		-	(235)	-	-
Lease payments		(2,504)	(2,550)	(1,578)	(1,799)
Net cash (outflow) from financing activities	(ii)	(2,504)	(2,785)	(1,578)	(1,799)
Net (decrease) in cash and cash equivalents		(60,019)	(16,016)	(60,448)	(14,167)
Cash and cash equivalents at the beginning of the financial year		158,202	174,219	148,005	162,171
Cash and cash equivalents at end of financial year		98,183	158,202	87,556	148,005

- 2021 cash flows have been restated as a result of application of Service-as-a-Software arrangements (refer to note 29 for details) and for the correction of prior year errors relating to the restatement of work in progress from Intangible assets to Property, plant and equipment (refer to notes 12 and 14 for details), and the allocation of receipts for contract liabilities relating to grants and contributions under sales of goods and services (\$17.565 million) and adjustment for bad debts allocated against supplies and services instead of sales of goods and services (\$1.428 million).

The accompanying notes form part of these statements.

TAFE Queensland
Statement of Cash Flows
For the year ended 30 June 2022

Notes to the Statement of Cash Flows

(i) *Reconciliation of Operating Result to Net Cash Provided by Operating Activities*

	Consolidated		Parent	
	2022	2021 Restated*	2022	2021 Restated*
	\$'000	\$'000	\$'000	\$'000
Reconciliation of cash flows from operating activities				
Operating result	(4,210)	503	(2,738)	287
Non-cash items included in operating result				
Depreciation and amortisation	17,479	18,454	14,077	15,429
Impairment of non-current assets	207	-	207	-
Net (gain) loss on sale of non-current assets	33	67	47	61
Net exchange differences	(79)	-	(79)	-
Share of profits of joint ventures - equity method	(1,378)	(3,739)	-	-
Change in operating assets and liabilities:				
(Increase) in receivables	(33,750)	(8,959)	(31,986)	(8,824)
(Increase)/decrease in GST input tax credits receivable	(427)	(125)	(465)	(93)
Increase/(decrease) in GST payable	792	49	741	48
(Increase) in inventories	(32)	230	(16)	230
(Increase)/decrease in other current assets	52	(9,151)	38	(8,719)
(Decrease)/increase in accounts payable	5,481	9,526	5,677	8,915
(Decrease)/increase in accrued employee benefits	1,435	(10,798)	1,421	(10,956)
(Decrease)/increase in other liabilities	(10,535)	9,694	(11,080)	10,191
Net cash (outflow) inflow from operating activities	(24,932)	5,751	(24,156)	6,568

- See note 29 for details regarding the restatement as a result of application of Service-as-a-Software arrangements.

(ii) *Changes in Liabilities arising from Financing Activities*

2022 - Consolidated		Non-cash changes			Cash flows		
Notes	Opening Balance \$'000	New Leases Acquired \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	Closing Balance \$'000	
Lease liabilities	18	72,753	42	255	-	(2,504)	70,546
Total		72,753	42	255	-	(2,504)	70,546

2021 - Consolidated		Non-cash changes			Cash flows		
Notes	Opening Balance \$'000	New Leases Acquired \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	Closing Balance \$'000	
Lease liabilities	18	73,881	2,805	(1,384)	-	(2,550)	72,753
Borrowings		235	-	-	-	(235)	-
Total		74,116	2,805	(1,384)	-	(2,785)	72,753

TAFE Queensland
Statement of Cash Flows
For the year ended 30 June 2022

(ii) *Changes in Liabilities arising from Financing Activities (continued)*

2022 - Parent		Non-cash changes			Cash flows		
Notes	Opening Balance \$'000	New Leases Acquired \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	Closing Balance \$'000	
Lease liabilities	18	11,993	42	255	-	(1,578)	10,712
Total		11,993	42	255	-	(1,578)	10,712

2021 - Parent		Non-cash changes			Cash flows		
Notes	Opening Balance \$'000	New Leases Acquired \$'000	Other \$'000	Cash Received \$'000	Cash Repayments \$'000	Closing Balance \$'000	
Lease liabilities	18	13,042	893	(144)	-	(1,799)	11,993
Total		13,042	893	(144)	-	(1,799)	11,993

1 Basis of Financial Statement Preparation

(a) General Information

TAFE Queensland is a statutory body established under the *TAFE Queensland Act 2013* and governed by an independent board.

TAFE Queensland is the largest and most experienced provider of vocational education and training in the state, with a history of serving Queensland's communities for over 130 years. Each year TAFE Queensland enrolls over 100,000 students across a network of over 50 campuses in Queensland, in employers' workplaces, online and in markets offshore. Our offering spans foundation skills and entry level qualifications to higher education degrees across more than 500 programs.

The corporate office and principal place of business is 1030 Cavendish Road, Mount Gravatt QLD 4122.

(b) Compliance with Prescribed Requirements

TAFE Queensland has prepared these financial statements in compliance with section 39 of the *Financial and Performance Management Standard 2019*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2021.

TAFE Queensland is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flows which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities.

(c) Currency and Rounding

Amounts included in the financial statements are presented in Australian dollars, which is the Group's functional currency and rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

Foreign currency income and expenses are translated to the functional currency using the average exchange rates prevailing each month in which the transactions occur, assets and liabilities are translated at the closing rate at the end of the reporting period. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in the foreign currencies at year end are generally recognised in the profit or loss.

(d) Comparatives

Comparative information reflects the audited 2020-21 financial statements which has been restated where necessary to be consistent with disclosures in the current reporting period, changes in accounting policies or correction of prior period errors.

(e) Current / Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or TAFE Queensland does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(f) Authorisation of Financial Statements for Issue

The financial statements are authorised for issue by the Chairperson, TAFE Queensland Board, the Chief Executive Officer, and the Chief Financial Officer at the date of signing the Management Certificate.

1 Basis of Financial Statement Preparation (continued)

(g) Basis of Measurement

Historical cost is used as the measurement basis in this financial report except for the following:

- Debt and equity financial assets that have been measured at fair value;
- Inventories which are measured at the lower of cost and net realisable value;
- Buildings which are measured at fair value;
- Right-of-use assets which are measured at an amount equal to the minimum expected liabilities arising from leases discounted by TAFE Queensland's incremental borrowing rate; and
- Provisions expected to be settled 12 or more months after reporting date which are measured at their present value.

Historical Cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The market approach uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The cost approach reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current replacement cost methodology.
- The income approach converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categories within the following fair value hierarchy based on the data and assumptions used in the most recent specific appraisals:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, directly or indirectly
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

Where fair value is used, the fair value approach is disclosed.

Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

(h) The Reporting Entity

The consolidated financial statements include all income, expenses, assets, liabilities and equity of the 'economic entity' comprising TAFE Queensland and the entities it controls where these entities are material (refer to Note 2). All transactions and balances internal to the economic entity have been eliminated in full.

1 Basis of Financial Statement Preparation (continued)

(h) The Reporting Entity (continued)

The parent entity financial statements include all income, expenses, assets, liabilities and equity of the parent only.

2 Controlled Entities

The following entities are controlled by TAFE Queensland:

Directly Controlled

Name	Purpose and Principal Activities	% Interest in Entity & Basis for Control	Total Assets \$'000		Total Liabilities \$'000		Total Revenue \$'000		Operating Result \$'000	
			2022	2021	2022	2021	2022	2021	2022	2021
TAFE Queensland International Education Pty Ltd	Delivery training services and international development assistance	100% interest in ordinary share capital enabling control of majority voting rights	2,393	2,116	1,191	950	6,426	5,154	36	120
TAFE Queensland Scholarship Foundation	Registered charity providing financial support to students	100% interest in units of the trust and shares of the trustee company	483	391	119	49	452	13	22	10
Aviation Australia Pty Ltd	Support the development and growth of the aviation and aerospace industries both in Australian and international markets	100% interest in ordinary share capital enabling control of majority of votes	85,615	80,052	65,101	65,612	21,508	22,298	(1,472)	181

Note: the amounts provided for TAFE Queensland Scholarship Foundation in the above table are based on full year results and balances.

Disclosure about Wholly-Owned Controlled Entities

TAFE Queensland International Education Pty Ltd

TAFE Queensland International Education Pty Ltd (TQIE) was established in July 2016 as a company limited by shares. TQIE's registered office is in Brisbane, Queensland, and its purpose is delivering training services and providing international development assistance and support to the Commonwealth Department of Foreign Affairs and Trade (DFAT) and to any other entity engaged in the provision of such services from time to time.

The predominant source of revenue for TQIE is earned through sub-contracting from TAFE Queensland for the delivery of services under the Australia Pacific Training Coalition (APTC) (formerly known as Australia-Pacific Technical College) contract with DFAT. In 2021-22 TQIE recognised revenues totalling \$6.426 million (2021: \$5.145 million) in relation to services provided to TAFE Queensland.

TAFE Queensland controls 100% of the share capital and voting rights in the company. The transactions and balances of TQIE are immaterial to TAFE Queensland and the economic entity and therefore have not been consolidated in financial statements.

TAFE Queensland Scholarship Foundation

TAFE Queensland Scholarship Foundation (the Foundation) was acquired on 25 September 2020. The Foundation is a charitable trust which was previously known as TAFE Directors Australia National Scholarships Foundation. TAFE Queensland Scholarships Foundation Limited acts as the trustee company of the trust.

The Foundation's principal purpose is the provision of money for scholarships, bursaries prizes to be provided to promote recipients' vocational education and training and higher education in approved Australian courses and/or overseas study.

2 Controlled Entities (continued)

The transactions and balances of the Foundation are immaterial to TAFE Queensland and the economic entity and therefore have not been consolidated in financial statements.

Aviation Australia Pty Ltd

Aviation Australia Pty Ltd was formed in October 2001 to provide aviation training. Aviation Australia Pty Ltd prepares and publishes separated financial statements, which are audited by the Auditor-General of Queensland. All shares in Aviation Australia were transferred to TAFE Queensland effective from 1 October 2017.

Given the activities of the company, no dividends or other financial returns are received by TAFE Queensland. Apart from the restricted cash balance of \$1.14 million classified as other non-current assets, there are no significant restrictions on TAFE Queensland's ability to access the company's assets or settle its liabilities.

The assets, liabilities, revenues and expenses of Aviation Australia have been consolidated in these financial statements.

Aviation Australia Pty Ltd (AA) has a 51% shareholding in Aviation Australia Riyadh College of Excellence LLC (AARCOE), with Shamal Commercial Investment LLC (SCI), a Saudi Arabian limited liability company holding the remaining 49% of the shares.

In accordance with an agreement between the shareholders, Aviation Australia is entitled to a 20% share of the profits or liable for 20% of the losses in that company.

AARCOE has an outstanding taxation dispute with the General Authority of Zakat and Tax which is progressing through an appeals process. A provision for Aviation Australia's share of the income tax in dispute has not been recognised in the consolidated accounts.

3 Joint Arrangements

Joint arrangements exist when two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Since 2016-17 TAFE Queensland has partnered with Sunshine Coast Hospital and Health Service (SCHHS), University of the Sunshine Coast (USC) and Griffith University for the operation of the Sunshine Coast Health Institute (SCHI). SCHI operates as a joint operation under an unincorporated joint venture agreement, based at the new Sunshine Coast University Hospital. The primary aims of SCHI are to advance the education of trainee medical officers, nurses, midwives, and other health care professionals, while providing outstanding patient care and extending research knowledge. Each partner has rights and obligations to the assets, liabilities, revenue and expenses of SCHI.

TAFE Queensland has accounted for its interest in the joint arrangement, including recognising its share of assets, liabilities and expenses jointly held/incurred, in accordance with AASB 11 *Joint Arrangements*.

TAFE Queensland's share of the joint operation is 23.7% (2021: 23.7%).

4 Sales of Goods and Services

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Student fees and charges	112,312	129,053	106,448	124,311
Fees for training services	120,952	129,274	118,793	128,329
Sales of goods and ancillary services	4,498	3,146	4,498	3,146
Total	237,762	261,473	229,739	255,786

Revenue arising from agreements that are 'enforceable' and contain 'sufficiently specific performance obligations' are recognised as revenue when TAFE Queensland has satisfied the performance obligations. Where funding is received in advance, a contract liability is recognised until the services are delivered. The following table provides information about the nature and timing of the satisfaction of performance obligations and revenue recognition:

4 Sales of Goods and Services (continued)

Type of good or service	Nature and timing of satisfaction of performance obligation	Revenue recognition policies
Student fees and charges	Student fees and charges relating to the provision of course tuition. Performance obligations are fulfilled progressively as tuition services are provided.	Revenue is recognised over time as students receive the tuition services.
Fees for training services	Fees received directly from organisations in relation to training services provided. Performance obligations predominantly relate to the delivery of training and are fulfilled progressively as delivery occurs.	For standard training contracts, revenue is recognised over time as training delivery occurs. Non-standard contracts are recognised in accordance with the delivery of contractual performance obligations.
Sales of goods and ancillary services	Other non-course fees and charges include sales of student products produced / service provided during training, restaurant/bistro sales, sales of merchandise/consumables and student fees for services provided.	Revenue is recognised as at the time the goods are transferred/services are provided to the purchaser.

Refer notes 10 and 19 for disclosures about contract assets and liabilities outstanding at year end.

5 Grants and Contributions

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Queensland Government grants and contributions				
- Queensland Government subsidised training	240,459	199,909	235,645	195,299
- State Contribution grant	178,073	168,838	173,257	164,022
- Other grants and contributions	36,676	23,857	36,421	23,602
Australian government grants and contributions	8,743	3,851	8,712	3,740
Other donations, sponsorships and contributions	750	840	740	827
Total	464,701	397,295	454,775	387,490

5 Grants and Contributions (continued)

Grant or funding agreements that are 'enforceable' and contain 'sufficiently specific performance obligations' are recognised as revenue when the group has satisfied the performance obligations. Where funding is received in advance, a contract liability is recognised until the services are delivered. The following table provides information about the nature and timing of the satisfaction of performance obligations and revenue recognition:

Type of good or service	Nature and timing of satisfaction of performance obligation	Revenue recognition policies
Queensland Government subsidised training	Queensland Government subsidised training relates to the component of course fees that is received for eligible students from the Queensland Government. Performance obligations relate to the delivery of tuition services and are fulfilled progressively as tuition services are provided.	Revenue is recognised over time as students receive the tuition services.
State Contribution Grant	The State Contribution grant is aimed at supporting quality training and skills delivery by subsidising public providers in areas of competitive disadvantage in comparison to private providers. Performance obligations relate to being a premium provider of Vocational Education and Training (VET), demonstrated by exceptional compliance with the Queensland VET Quality Framework, more specifically quality of training products and outcomes, sound corporate governance structures and operating models that support Queenslanders accessing quality training in priority skill areas. All of these performance obligations are continuing obligations.	Revenue is recognised over time on a straight-line basis.
Donations	TAFE Queensland receives donations of cash and equipment. Performance obligations may or may not exist depending on the individual transaction.	Revenue is recognised on receipt if there are no specific performance obligations attached to the donation (in accordance with AASB 1058), or, where a performance obligation exists, as TAFE Queensland satisfies performance obligations (in accordance with AASB 15).
All other grants and contributions	TAFE Queensland enters into a range of agreements for various purposes. Performance obligations may or may not exist depending on the individual agreements.	Each agreement is reviewed individually with regard to the enforceability and sufficiently specific performance obligations criteria to determine whether AASB 15 or AASB 1058 applies.

Refer notes 10 and 19 for disclosures about contract assets and liabilities outstanding at year end.

During the financial period, TAFE Queensland utilised facilities under the control of the Department of Employment, Small Business and Training to deliver vocational education and training services. Access to the facilities is provided without charge or for a cost that may not be fair value. AASB 1004 *Contributions* requires that contributions of goods and services be recognised where they would have been purchased if they had not been donated, and the fair value can be measured reliably. Where this is the case, an equal amount is recognised as revenue and expense. TAFE Queensland would not in all cases otherwise purchase the goods and services, and costs relating to the sites due to location, condition and caveats pertaining to them. The sites are not able to be reliably measured due to the aforementioned caveats. Therefore no notional value has been estimated.

6 Employee Expenses

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Salaries and wages	343,056	323,421	332,563	313,383
Annual leave levy/expense	35,189	30,881	35,091	30,969
Long service leave levy/payable	9,420	8,507	9,499	8,421
Employer superannuation contributions	47,123	43,611	46,122	42,694
Other employee benefits	25,518	21,880	25,507	21,878
Payroll tax and fringe benefits tax	21,773	20,028	21,231	19,457
Other employee related expenses	5,208	4,721	5,060	4,575
	487,287	453,049	475,073	441,377

The number of employees as at 30 June 2022, including both full-time employees and part-time employees measured on a full-time equivalent basis (reflecting Minimum Obligatory Human Resource Information (MOHRI)) is 4,248 (2021: 4,098).

Salaries, wages and sick leave

Salaries and wages due but unpaid at reporting date are recognised as a liability at current salary and wage rates. Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. As sick leave is non-vesting, a liability for unused sick leave entitlements is not recognised. An expense is recognised for this leave when taken.

Salaries and wages during 2021 includes \$2,586,286, being one-off pro-rata payments of \$1,250 paid to 2,064 full-time equivalent employees in accordance with the *TAFE Queensland (TAFE Services Employees) Certified Agreement 2019*. Salaries and wages during 2022 do not include one-off pro-rata payments as they were not required in that period under applicable certified agreements.

Annual leave and long service leave

TAFE Queensland employs people in Australia under state-based awards and it also employs people overseas in connection with APTC in accordance with the laws of the local jurisdictions in which APTC operates - Fiji, Samoa, Vanuatu, Papua New Guinea, and Solomon Islands.

For employees of the parent engaged on Queensland-based conditions of employment, TAFE Queensland is a member of the Queensland Government's Annual Leave Central and Long Service Leave Central Schemes. A levy is payable to these schemes to cover the cost of employees' annual leave (including leave loading and part of the on-costs) and long service leave. These levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave and long service leave are claimed back from the schemes quarterly in arrears. TAFE Queensland does not recognise a provision for annual leave or long service leave in the financial statements as these liabilities are held, and reported, on a whole-of-government basis.

For employees employed by subsidiaries or employed under foreign conditions of employment, a liability for annual leave accrued up to the end of the reporting period is recognised based on current salary and wage rates, and includes employer related on-costs. The liability for long service leave is recognised in the provision for long service leave and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures, and periods of service.

Expected future payments are discounted using marked yields at the reporting date on government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

6 Employee Expenses (continued)

Superannuation schemes

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by TAFE Queensland at the specified rate following completion of the employee's service each pay period. TAFE Queensland's obligations are limited to those contributions paid.

Workers compensation

TAFE Queensland pays premiums to WorkCover Queensland in respect of its obligation for employee compensation. Workers' compensation insurance is a consequence of employing employees, but is not counted in an employee's total remuneration package. It is not employment benefits and is recognised separately as employee related expenses.

Key management personnel and disclosures are detailed in note 27.

7 Supplies and Services

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Contractors	38,646	36,575	35,641	34,667
Property rental	17,542	16,714	17,593	16,579
Employee housing	227	175	227	175
Lease expenses	881	1,128	647	982
Property, information technology support services, and transport	67,753	64,889	65,998	63,137
Travel and accommodation	5,970	3,652	5,685	3,550
Agents commissions	4,219	4,154	4,070	3,945
Advertising and promotions	11,201	9,010	10,774	8,610
Training materials	9,424	8,591	9,352	8,548
Printing and stationary	4,653	3,992	4,616	3,952
Minor equipment purchases	15,990	12,132	15,678	12,019
Subscriptions, books and publications	5,089	4,948	4,875	4,717
Finance, human resources, and support services	717	677	717	677
Other supplies and services	19,833	19,600	19,659	19,414
	202,145	186,237	195,532	180,972

Lease expenses

Lease expenses include lease rentals for short-term leases, leases of low value and variable lease payments. Refer to Note 18 for a breakdown of lease expenses and other lease disclosures.

8 Other Expenses

Audit fees

Other expenses includes remuneration to auditors. Total audit fees quoted by the Queensland Audit Office relating to the 2022 financial statements are \$215,250 (2021: \$210,000).

Special payments

Special payments represent ex gratia expenditure and other expenditure that TAFE Queensland is not contractually or legally obligated to make to other parties. Ex gratia payments totalling \$3,916.32 were made during 2022 (2021: nil).

9 Cash and Cash Equivalents

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at bank and in hand	98,183	158,202	87,556	148,005
Total	98,183	158,202	87,556	148,005

Cash and cash equivalents comprise cash on hand, cheques receipted but not yet banked, and other short term highly liquid investments.

10 Receivables and Contract Assets

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade debtors	18,090	12,094	15,429	10,785
Loss allowance	(1,805)	(2,411)	(1,752)	(2,358)
	16,285	9,683	13,677	8,427
GST receivable	1,610	1,974	1,600	1,877
Accrued revenue	2,806	150	2,806	150
Contract assets	104,993	84,126	103,874	83,417
Other receivables	8,809	6,535	8,809	6,535
Total	134,503	102,468	130,766	100,406

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Trade debtors are generally due for settlement 30 days from invoice date or, for student course fees, 30 days from start of study. Other receivables are due in accordance with their contractual terms.

The loss allowance for trade debtors reflect the lifetime expected credit losses and incorporates reasonable and supportable forward-looking information, including forecast economic changes expected to impact TAFE Queensland debtors. TAFE Queensland has established a provision to measure the expected credit losses on trade debtors according to debtor type. The calculations reflect historical observed default rates based on past sales transactions for each of the groups and the 2021 loss allowance included an additional allowance for possible default arising from hardship experienced by customers as a result of COVID-19.

10 Receivables and Contract Assets (continued)

Receivables and payables are stated with GST included. The net amount of GST recoverable from the Australian Taxation Officer is included as a current asset.

Accrued revenue relates to revenue that does not arise from contracts with customers.

Contract assets are recognised over the performance obligations that have been met whereby the invoice is not yet raised or the funds have not been received. Significant changes in contract asset balances during the year include:

- VET Student loan receivable increased by \$16 million due to the timing of data reported for payment to the Department of Education, Skills and Employment.

Impairment group - receivables from sales of goods and services

Consolidated	2022			2021		
	Gross Receivable \$'000	Loss Rate ¹ \$'000	Expected Credit Losses \$'000	Gross Receivable \$'000	Loss Rate ¹ \$'000	Expected Credit Losses \$'000
Aging						
Current	11,662	-%	(33)	5,170	4%	(212)
1 to 30 days overdue	2,058	3%	(62)	1,260	7%	(91)
31 to 60 days overdue	537	8%	(43)	766	12%	(91)
61 to 90 days overdue	473	12%	(56)	443	18%	(80)
> 90 days overdue	3,360	48%	(1,612)	4,454	43%	(1,937)
Total	18,090		(1,805)	12,094		(2,411)
Parent						
	2022			2021		
	Gross Receivable \$'000	Loss Rate ¹ \$'000	Expected Credit Losses \$'000	Gross Receivable \$'000	Loss Rate ¹ \$'000	Expected Credit Losses \$'000
Aging						
Current	11,070	-%	(33)	4,929	4%	(212)
1 to 30 days overdue	1,270	5%	(62)	832	11%	(91)
31 to 60 days overdue	241	18%	(43)	478	19%	(91)
61 to 90 days overdue	260	22%	(56)	289	27%	(80)
> 90 days overdue	2,588	60%	(1,558)	4,257	44%	(1,884)
Total	15,429		(1,752)	10,785		(2,358)

¹ Loss rate is not applied to amounts expected from the Queensland State Government. Loss rate quoted for consolidated receivables is weighted average of parent and controlled entities.

10 Receivables and Contract Assets (continued)

Commentary on financial risk disclosures are included in Note 23.

Movement in loss allowance for trade debtors

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Loss allowance as at 1 July	(2,411)	(3,382)	(2,358)	(3,329)
Increase / decrease in allowance recognised in operating result	(430)	(475)	(421)	(467)
Amounts written-off during the year	1,036	1,446	1,027	1,438
Closing loss allowance at 30 June	(1,805)	(2,411)	(1,752)	(2,358)

11 Other Assets

	Consolidated		Parent	
	2022 \$'000	2021 Restated* \$'000	2022 \$'000	2021 Restated* \$'000
Current				
Prepayments	14,630	14,532	13,942	13,830
Other current assets	193	172	179	158
Total	14,823	14,704	14,121	13,988
Non-current				
Prepayments	429	600	429	600
Restricted term deposit	1,139	1,139	-	-
Total	1,568	1,739	429	600

- See note 29 for details regarding the restatement as a result of application of Service-as-a-Software arrangements.

12 Property, Plant and Equipment

Closing balances and reconciliation of carrying amount

	Buildings at Cost 2022 \$'000	Buildings at Valuation 2022 \$'000	Plant & Equipment 2022 \$'000	Work in Progress 2022 \$'000	Total 2022 \$'000
Consolidated					
Cost or fair value	-	23,757	132,972	37,327	194,056
Less: Accumulated depreciation	-	(10,108)	(97,447)	-	(107,555)
Carrying amount at 30 June 2022	-	13,649	35,525	37,327	86,501
Represented by movements in carrying amount:					
Carrying amount at 1 July (restated)	2,294	3,345	38,719	15,564	59,922
Revaluation surplus	-	7,800	-	-	7,800
Additions	-	-	2,410	25,599	28,009
Disposals	-	-	(46)	-	(46)
Transfers	(2,201)	2,661	3,376	(3,836)	-
Depreciation expense	(93)	(157)	(8,934)	-	(9,184)
Carrying amount at 30 June 2022	-	13,649	35,525	37,327	86,501

	Buildings at Cost 2021 \$'000	Buildings at Valuation 2021 \$'000	Plant and Equipment 2021 \$'000	Work in Progress * 2021 \$'000	Total * 2021 \$'000
Consolidated					
Cost or fair value	4,727	7,064	129,456	15,564	156,811
Less: Accumulated depreciation	(2,433)	(3,719)	(90,737)	-	(96,889)
Carrying amount at 30 June 2021	2,294	3,345	38,719	15,564	59,922
Represented by movements in carrying amount:					
Carrying amount at 1 July (restated)	2,388	3,297	39,197	7,253	52,135
Revaluation surplus	-	195	-	-	195
Additions (restated)	-	-	3,996	12,270	16,266
Disposals	-	-	(189)	-	(189)
Transfers	-	-	3,960	(3,960)	-
Depreciation expense	(94)	(148)	(8,241)	-	(8,483)
Impairment loss (ii)	-	-	(3)	-	(3)
Carrying amount at 30 June 2021	2,294	3,345	38,719	15,564	59,922

* Work in progress as at 30 June 2021 was restated for a prior period error to include WIP previously categorised as Intangible assets. The effect of this reclassification resulted in increases to opening net book value of \$3.499 million and additions of \$4.955 million.

12 Property, Plant and Equipment (continued)

	Buildings at Cost 2022 \$'000	Buildings at Valuation 2022 \$'000	Plant & Equipment 2022 \$'000	Work in Progress 2022 \$'000	Total 2022 \$'000
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Parent

Cost or fair value	-	7,628	120,239	37,139	165,006
Less: Accumulated depreciation	-	(4,186)	(89,551)	-	(93,737)
Carrying amount at 30 June 2022	-	3,442	30,688	37,139	71,269

Represented by movements in carrying amount:

Carrying amount at 1 July (restated)	-	3,345	32,812	15,429	51,586
Revaluation surplus	-	254	-	-	254
Additions	-	-	2,335	25,479	27,814
Disposals	-	-	(46)	-	(46)
Transfers	-	-	3,769	(3,769)	-
Depreciation expense	-	(157)	(8,182)	-	(8,339)
Carrying amount at 30 June 2022	-	3,442	30,688	37,139	71,269

	Buildings at Cost 2021 \$'000	Buildings at Valuation 2021 \$'000	Plant & Equipment 2021 \$'000	Work in Progress* 2021 \$'000	Total* 2021 \$'000
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Cost or fair value	-	7,064	116,223	15,429	138,716
Less: Accumulated depreciation	-	(3,719)	(83,411)	-	(87,130)
Carrying amount at 30 June 2021	-	3,345	32,812	15,429	51,586

Represented by movements in carrying amount:

Carrying amount at 1 July (restated)	-	3,298	33,174	7,103	43,575
Revaluation surplus	-	195	-	-	195
Additions (restated)	-	-	3,423	12,270	15,693
Disposals	-	-	(189)	-	(189)
Transfers	-	-	3,944	(3,944)	-
Depreciation expense	-	(148)	(7,540)	-	(7,688)
Carrying amount at 30 June 2021	-	3,345	32,812	15,429	51,586

* Work in progress as at 30 June 2021 was restated for a prior period error to include WIP previously categorised as Intangible assets. The effect of this reclassification resulted in increases to opening net book value of \$3.499 million and additions of \$4.955 million.

Basis of capitalisation and recognition thresholds

Items of property, plant and equipment with a historical cost or other value equal to or exceeding the following thresholds in the year of acquisition are reported as property, plant and equipment in the following classes:

Buildings	\$10,000
Plant and equipment	\$5,000

Items with a lesser value are expensed in the year of acquisition.

Expenditure on property, plant and equipment is capitalised where it is probable that the expenditure will produce future service potential for TAFE Queensland. Subsequent expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of that asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

12 Property, Plant and Equipment (continued)

Acquisition of property, plant and equipment

Acquisitions of property, plant and equipment are initially recorded at historical cost. Historical cost is determined as the fair value of consideration given to acquire the asset plus costs incidental to the acquisition, including design fees and all other establishment costs.

Measurement

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. Buildings are measured at fair value and reported at the revalued amounts, being the fair value at the date of valuation less any subsequent accumulated depreciation, with the exception of buildings held by Aviation Australia prior to 2022 which were recorded at historical cost less accumulated depreciation and impairment (refer to note 29).

Buildings measured at fair value are revalued on an annual basis either by appraisals undertaken by an independent professional valuer, or by the use of appropriate and relevant indices.

Revaluations using independent professional value appraisals are undertaken at least once every five years. However, if a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last specific appraisal.

Where assets have not been specifically appraised in the reporting period their previous valuations are materially kept up-to-date via the application of relevant indices. TAFE Queensland ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. Indices used are tested for reasonableness by applying sensitivities and analysing the trend of changes in values over time. Through this process management assesses and confirms the relevance and suitability of indices provided based on TAFE Queensland's own particular circumstances.

The fair values reported are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. Materiality is considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

The effective date of the last specific appraisal for the parent entity and Aviation Australia was 30 June 2019 and 30 June 2022 respectively, conducted by Gray Robinson & Cottrell (GRC) Quantity Surveyors. The replacement cost estimates were prepared from plans and elevations together with available schedules and specifications. Where this standard of supplied information was not available, GRC determined appropriate information from site surveys that were conducted. GRC applied a combination of pricing methodologies all of which were adjusted to reflect the anticipated construction market as at the effective reporting date. Detailed estimates were also used to determine the cost of replacing the existing assets with a modern equivalent asset.

The building asset class for the parent entity was not specifically appraised in the reporting period, however previous valuations have been materially kept up-to-date via the application of relevant indices. TAFE Queensland ensures that the application of such indices results in a valid estimation of the assets' fair values at reporting date. In 2022 TAFE Queensland applied an index of rate of 7.98% incorporating the cumulative change in index rates prepared by quantity surveyor firm GRC for the Department of Education for similar educational facilities.

GRC employs market driven indexation factors, such as Locality and Building Price Index, as mechanisms to ensure that estimates are reflective of the construction market at any point in time.

The fair value measurement is categorised as a Level 3 in the fair value hierarchy (refer to Note 1(g)).

12 Property, Plant and Equipment (continued)

Accounting for Changes in Fair Value

Any revaluation increment arising on the revaluation of an asset is credited to the revaluation surplus of the appropriate class, except to the extent it reverses a revaluation decrement for the class previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset class.

For assets revalued using a cost valuation approach (e.g. current replacement cost) accumulated depreciation is adjusted to equal the difference between the gross amount and carrying amount, after taking into account accumulated impairment losses. This is generally referred to as the 'gross method'.

Depreciation Expense

Property, plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset progressively over its estimated useful life to TAFE Queensland.

Straight line depreciation is used as that is consistent with the consumption of service potential of these assets over their useful life to TAFE Queensland.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the life of the asset.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is earlier. These assets are then reclassified to the relevant class within property, plant, and equipment.

For TAFE Queensland's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

Depreciation methods, estimated useful lives and residual values of property, plant and equipment are reviewed annually and adjusted if appropriate. The estimated useful lives for each class of depreciable assets are:

Buildings	15 - 83 years
Plant and equipment	2 - 63 years

Impairment

All property, plant and equipment assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, TAFE Queensland determines the asset's recoverable amount under AASB 136 *Impairment of Assets*. Recoverable amount is equal to the higher of the fair value less costs of disposal and the asset's value in use.

An impairment loss is recognised immediately in the statement of comprehensive income.

13 Right-of-use Assets

Closing balances and reconciliation of carrying amount

	Consolidated		Parent	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Buildings				
Cost or fair value	68,332	67,918	14,487	14,072
Less: Accumulated depreciation	(11,273)	(6,842)	(4,972)	(2,908)
Carrying amount at 30 June	57,059	61,076	9,515	11,164
Represented by movements in carrying amount:				
Carrying amount at 1 July	61,076	63,599	11,164	12,307
Additions	42	1,608	42	894
Depreciation expense	(4,393)	(3,961)	(2,025)	(1,892)
Other adjustments	334	(169)	334	(145)
Closing balance at 30 June	57,059	61,076	9,515	11,164

The value of right-of-use assets has been determined based on the expected costs arising out of the lease (this includes lease payments net of incentives, initial set-up costs and any other known costs). Right-of-use assets are subsequently depreciated over the lease term and be subject to impairment testing on an annual basis. The carrying amount of right-of-use assets are adjusted for any remeasurement of the lease liability in the financial year following a change in discount rate, a reduction in lease payments payable, changes in variable lease payments that depend upon variable indexes/rates of a change in lease term.

Lease liabilities are disclosed in Note 18.

The Group has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. The lease payments are recognised as expenses on a straight-line basis over the lease term. An asset is considered low value where it is expected to cost less than \$10,000 when new.

TAFE Queensland
Notes to the Financial Statements
for the year ended 30 June 2022

14 Intangible Assets

Closing balances and reconciliation of carrying amount

	Intellectual Property	Software Purchased	Software Internally Generated	Other Intangible Assets	Work in Progress	Total
	2022	2022	2022	2022	2022	2022
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Gross	20,325	31,628	5,703	821	6,918	65,395
Less: Accumulated amortisation	(19,294)	(12,847)	(1,647)	(484)	-	(34,272)
Carrying amount at 30 June 2022	1,031	18,781	4,056	337	6,918	31,123
Represented by movements in carrying amount:						
Carrying amount at 1 July (restated)	467	19,736	3,214	337	4,118	27,872
Acquisitions (including upgrades)	425	34	-	-	6,901	7,360
Transfers between asset classes	345	1,968	1,581	-	(3,894)	-
Amortisation expense	(206)	(2,957)	(739)	-	-	(3,902)
Impairment losses recognised in operating result	-	-	-	-	(207)	(207)
Carrying amount at 30 June 2022	1,031	18,781	4,056	337	6,918	31,123
	2021	2021	2021	2021	2021*	2021*
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated						
Gross	19,555	29,626	4,122	1,812	4,118	59,233
Less: Accumulated amortisation	(19,088)	(9,890)	(908)	(1,475)	-	(31,361)
Carrying amount at 30 June 2021	467	19,736	3,214	337	4,118	27,872
Represented by movements in carrying amount:						
Carrying amount at 1 July (restated)	2,777	20,477	2,635	373	3,519	29,782
Acquisitions (including upgrades) (restated)	161	245	-	337	3,378	4,121
Transfers between asset classes	-	1,834	944	-	(2,778)	-
Amortisation expense	(2,474)	(2,820)	(367)	(373)	-	(6,024)
Impairment losses recognised in operating result	3	-	-	-	-	3
Carrying amount at 30 June 2021	467	19,736	3,214	337	4,118	27,872

* Work in progress as at 30 June 2021 was restated for a prior period error to exclude WIP relating to Property, Plant and Equipment previously categorised as Intangible assets. The effect of this reclassification resulted in decreases to opening net book value of \$3,499k and acquisitions of \$4,955k. In addition, changes were made to WIP as a result of application of Service-as-a-Software arrangements (refer note 29). The combined impact of these adjustments resulted in a net reduction in the carrying amount at 30 June 2021 of \$11,309k, comprising of a reduction in the opening net book value of \$3,860k and a reduction in acquisitions of \$7,449k.

TAFE Queensland
Notes to the Financial Statements
for the year ended 30 June 2022

14 Intangible Assets (continued)

	Intellectual Property 2022 \$'000	Software Purchased 2022 \$'000	Software Internally Generated 2022 \$'000	Other Intangible Assets 2022 \$'000	Work in Progress 2022 \$'000	Total 2022 \$'000
Parent						
Gross	18,894	30,937	5,703	-	6,918	62,452
Less: Accumulated amortisation	(18,894)	(12,468)	(1,647)	-	-	(33,009)
Carrying amount at 30 June 2022	-	18,469	4,056	-	6,918	29,443
Represented by movements in carrying amount:						
Carrying amount at 1 July (restated)	110	19,365	3,214	-	3,773	26,462
Acquisitions (including upgrades)	-	-	-	-	6,901	6,901
Transfers between asset classes	-	1,968	1,581	-	(3,549)	-
Amortisation expense	(110)	(2,864)	(739)	-	-	(3,713)
Impairment losses recognised in operating result	-	-	-	-	(207)	(207)
Carrying amount at 30 June 2022	-	18,469	4,056	-	6,918	29,443
	2021 \$'000	2021 \$'000	2021 \$'000	2021 \$'000	2021* \$'000	2021* \$'000
Parent						
Gross	18,894	28,969	4,122	1,475	3,773	57,233
Less: Accumulated amortisation	(18,784)	(9,604)	(908)	(1,475)	-	(30,771)
Carrying amount at 30 June 2021	110	19,365	3,214	-	3,773	26,462
Represented by movements in carrying amount:						
Carrying amount at 1 July (restated)	2,495	20,254	2,637	373	3,180	28,939
Acquisitions (including upgrades) (restated)	-	-	-	-	3,371	3,371
Transfers between asset classes	-	1,834	944	-	(2,778)	-
Amortisation expense	(2,385)	(2,723)	(367)	(373)	-	(5,848)
Carrying amount at 30 June 2021	110	19,365	3,214	-	3,773	26,462

* Work in progress as at 30 June 2021 was restated for a prior period error to exclude WIP relating to Property, Plant and Equipment previously categorised as Intangible assets. The effect of this reclassification resulted in decreases to opening net book value of \$3,499k and acquisitions of \$4,955k. In addition, changes were made to WIP as a result of application of Service-as-a-Software arrangements (refer note 29). The combined impact of these adjustments resulted in a net reduction in the carrying amount at 30 June 2021 of \$11,309k, comprising of a reduction in the opening net book value of \$3,860k and a reduction in acquisitions of \$7,449k.

14 Intangible Assets (continued)

Intangible assets with a cost greater than \$100,000 are capitalised. Intangible assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Costs associated with the development of intangible assets are capitalised and amortised on a straight-line basis over its estimated useful life. The cost of intangible assets includes the cost of all materials, direct labour, other directly attributable costs, and an appropriate proportion of overheads attributable during development.

Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets from the date that they were available for use. The useful lives of intangible assets are reviewed annually and adjusted if appropriate.

The estimated useful lives of intangible assets are:

Intellectual property	3 years
Software purchased	3 - 10 years
Software internally generated	5 - 7 years
Other intangibles	4 - 7 years

Impairment

All intangible assets are reviewed annually for indicators of impairment. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by TAFE Queensland. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and amortised replacement cost.

15 Investments Accounted for using the Equity Method

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Interest in joint venture partnership	4,761	6,155	-	-
Total	4,761	6,155	-	-

TAFE Queensland through its subsidiary, Aviation Australia holds a 51% interest in the shares of Aviation Australia Riyadh College of Excellence LLC (AARCOE). The shareholders have agreed that Aviation Australia Pty Ltd is entitled to 20% of the profits or is liable for 20% of the liabilities.

16 Payables

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Trade creditors	43,326	38,324	42,093	36,853
Other creditors	2,731	2,252	2,651	2,214
Total	46,057	40,576	44,744	39,067

Trade and other payables represent the value of goods and services provided to TAFE Queensland prior to the end of the financial year that remain unpaid. Trade and other payables are recognised upon receipt of the goods or services ordered and are measured at the agreed purchase price less any applicable discounts. Amounts owing are unsecured.

17 Employee Benefits

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Accrued salaries and wages	1,037	1,140	773	869
Annual leave levy / provision	10,545	9,587	9,822	8,964
Long service leave levy / provision	3,413	2,746	2,973	2,313
Total	14,995	13,473	13,568	12,146
Non-Current				
Long service leave levy / provision	259	345	-	-
Total	259	345	-	-

No provision for annual leave or long service leave is recognised in the parent's financial statements for staff employed in Australia on state-based awards as the liability is held on a whole of government basis and reported in those financial statements pursuant to AASB 1049 *Whole-of-government and General Government Sector Financial Reporting*. A provision is recognised for annual leave and long service leave relating to non-Australian based employees and subsidiary employees (refer also to Note 6).

18 Lease Liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Lease liabilities	2,602	2,699	1,754	1,773
Total	2,602	2,699	1,754	1,773
Non-Current				
Lease liabilities	67,944	70,054	8,958	10,220
Total	67,944	70,054	8,958	10,220

Lease liabilities are initially recognised at the present value of lease payments over the lease term (including extension or renewal options that the Group is reasonably certain to exercise).

When measuring lease liabilities, TAFE Queensland uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of TAFE Queensland's leases. To determine the incremental borrowing rate, TAFE Queensland uses load rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

Subsequent to initial recognition, the lease liabilities are increased by the interest charge and reduced by the amount of lease payments. Lease liabilities are also remeasured in certain situations such as a change in variable lease payments that depend on an index or rate (e.g. a market rent review), or a change in the lease term.

The lease liabilities of TAFE Queensland and its subsidiaries mainly relate to premises used for training. Lease terms vary from 1 year to 31 years. In accordance with AASB16 *Leases*, the value of the liability is inclusive of option periods where we believe the options are likely to be exercised.

The Department of Energy and Public Works (DEPW) provides TAFE Queensland with access to employee housing and motor vehicles under government-wide frameworks. These arrangements are categories as procurement of services rather than as leases because DEPW has substantive substitution rights over the assets. The related service expenses are included in Note 7.

18 Lease Liabilities (continued)

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Amounts recognised in profit or loss				
Finance Costs - Right of Use Assets	2,003	2,243	179	358
Breakdown of 'lease expenses' included in note 7				
- Expense relating to short-term leases	881	1,128	647	982
Total cash outflow for leases	2,884	3,371	826	1,340

19 Other Liabilities

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Current				
Contract liabilities	29,745	39,569	29,650	39,474
Other unearned revenue	6,517	7,399	4,426	5,854
Other current liabilities	1,421	2,374	1,421	2,374
Total	37,683	49,342	35,497	47,702
Non-Current				
Contract Liabilities	355	580	355	580
Total	355	580	355	580

Contract liabilities arise from contracts with customers while other unearned revenue arise from transactions that are not contracts with customers.

Of the amount included in the contract liability balance at 1 July 2021, \$29.9 million has been recognised as revenue in 2021-22.

Significant changes in contract liabilities during the year:

- The decrease in contract liabilities is largely attributed to services performed under the TAFE Priority Skills Fund and Workforce Transition programme.

20 Commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	Consolidated		Parent	
	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000
Property, Plant & Equipment				
Within one year	9,545	1,181	9,545	1,181
Later than one year, less than five years	-	-	-	-
Later than five years	-	-	-	-
Total	9,545	1,181	9,545	1,181
Intangible Assets				
Within one year	515	456	515	456
Later than one year, less than five years	-	-	-	-
Later than five years	-	-	-	-
Total	515	456	515	456
Total Commitments	10,060	1,637	10,060	1,637

TAFE Queensland
Notes to the Financial Statements
for the year ended 30 June 2022

21 Contingencies

At 30 June 2022 TAFE Queensland has 55 active claims with WorkCover Queensland and 8 claims with the Queensland Government Insurance Fund (2021: 51 claims with WorkCover Queensland and 5 claims with the Queensland Government Insurance Fund). These claims are not considered to be material in value.

22 Climate Change

The Group has not identified any material climate related risks relevant to the financial report at reporting date, however constantly monitors the emergence of such risks under the Queensland Government's Climate Transition Strategy.

23 Financial Risk Disclosures

Categorisation of financial instruments

Financial instruments are recognised in the Statement of Financial Position when TAFE Queensland becomes party to the contractual provisions of the financial instrument. TAFE Queensland has the following categories of financial assets and liabilities:

Category	Note	Consolidated		Parent	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Financial Assets					
Cash and cash equivalents	9	98,183	158,202	87,556	148,005
Receivables and Contract Assets	10	134,503	102,468	130,766	100,406
Total Financial Assets		232,686	260,670	218,322	248,411
Financial Liabilities					
Financial liabilities measured at amortised cost - comprising:					
Payables	16	46,057	40,576	44,744	39,067
Lease Liabilities	18	70,546	72,753	10,712	11,995
Total Financial Liabilities at amortised cost		116,603	113,329	55,456	51,060

No financial assets and liabilities have been offset and presented in the Statement of Financial Position.

Financial Risk Management

The TAFE Queensland Board has the overall responsibility for the establishment and oversight of the risk management framework. The Board established the Audit, Finance and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports regularly to the Board on its activities.

23 Financial Risk Disclosures (continued)

TAFE Queensland's activities expose it to a variety of financial risks as set out in the following table:

Risk	Definition	Exposure	Measurement Method	Risk Management Strategy
Credit risk	Credit Risk exposure refers to the situation where TAFE Queensland may incur a financial loss as a result of another party to a financial instrument failing to discharge their obligation.	TAFE Queensland is exposed to credit risk in respect of its receivables (Note 10). The maximum exposure at balance date is the gross carrying amount of receivables inclusive of any allowance for impairment.	Ageing analysis, earnings at risk.	TAFE Queensland manages credit risk through its credit and debt management policies. These policies aim to reduce the exposure to credit default by ensuring that the TAFE Queensland invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity risk	Liquidity risk refers to the situation where TAFE Queensland may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial asset.	TAFE Queensland is exposed to credit risk in respect of its payables (Notes 16 and 18).	Sensitivity analysis	TAFE Queensland ensures that minimal, but sufficient, levels of cash are held within various bank accounts so as to match the expected duration of the various employee and supplier liabilities.
Market risk	The risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. Interest rate risk is the risk that the fair value of future cash flows will fluctuate because of changes in market interest rates.	TAFE Queensland has limited exposure to currency, interest rate and other price risk.	Interest rate sensitivity analysis	TAFE Queensland ensures that minimal, but sufficient, levels of cash are held within various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

Contract maturity of financial liabilities

The following tables sets out the liquidity risk of financial liabilities held by TAFE Queensland. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

Consolidated	2022	Contractual maturity			2021	Contractual maturity		
		Total	< 1	1 - 5		> 5	Total	< 1
Financial liabilities	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Payables	46,057	46,057	-	-	40,576	40,576	-	-
Lease liabilities	70,546	2,602	11,821	56,123	72,753	2,652	9,021	61,079
Total	116,603	48,659	11,821	56,123	113,329	43,228	9,021	61,079

23 Financial Risk Disclosures (continued)

Parent	2022				2021			
	Total	Contractual maturity			Total	Contractual maturity		
Financial Liabilities	\$'000	< 1 Year \$'000	1-5 Years \$'000	> 5 Years \$'000	\$'000	< 1 Year \$'000	1-5 Years \$'000	> 5 Years \$'000
Payables	44,744	44,744	-	-	39,067	39,067	-	-
Lease liabilities	10,712	1,754	7,989	969	11,993	1,726	5,311	4,955
Total	55,456	46,498	7,989	969	51,060	40,793	5,311	4,955

24 Events After the Balance Date

TAFE Queensland has entered into a lease, commenced on 18 August 2022, relating to premises located at Acuity Business Park, Robina. The estimated cost of the right-of-use asset to be recognised in the financial statements is \$60-\$65 million, with an expected occupancy term of thirty years. In addition to the right-of-use asset, a lease liability of similar value will be recognised.

25 Future Impacts of Accounting Standards Not Yet Effective

At the date of authorisation of the financial report, there are no expected impacts of new or amended Australian Accounting Standards.

26 Budget vs Actual Comparison

Statement of Comprehensive Income	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
Income			
Sale of goods and services	247,871	237,762	(10,109)
Grants and contributions	425,710	464,701	38,991
Shares of profits of joint ventures accounted for using the equity method	2,863	1,378	(1,485)
Interest	115	39	(76)
Other income	5,954	8,605	2,651
Total income	682,513	712,485	29,972
Expenses			
Employee expenses	463,852	487,287	23,435
Supplies and services	208,984	202,145	(6,839)
Depreciation and amortisation	21,039	17,479	(3,560)
Finance/borrowing costs	2,303	2,003	(300)
Other expenses	8,298	7,781	(517)
Total expenses	704,476	716,695	12,219
Operating result for the year	(21,963)	(4,210)	17,753

Explanation of major variances - Statement of Comprehensive Income:

<i>Sales of goods and services</i>	This variance mainly relates to a reduction of \$21.6 million in domestic training revenues with a higher proportion of course fees received through government training subsidies (refer also to Grants and contributions note below), offset by a net increase in revenues of \$8.8 million for the Adult Migrant English Program and Skills for Education and Employment program.
<i>Grants and contributions</i>	This variance mainly relates to: <ul style="list-style-type: none"> - an additional \$20.9 million relating to the component of course fees received from the Queensland Government as training subsidies, driven by increased subsidised available through State and Commonwealth Government programs including JobTrainer, Boosting Apprenticeship Commencements and TAFE Priority Skilling Fund; - \$12.4 million contribution from DESBT towards the fit-out of the new Robina campus and implementation of Cyber Training Centre Security Operations Centres; and - \$5.0 million relating to a Pacific Maritime Training Services agreement.
<i>Employee expenses</i>	This variance mainly relates to increase in costs associated with additional FTE required to support training demand and impacts of the wage determination mechanism for staff covered by the TAFE Queensland (TAFE Services Employees) Certified Agreement 2019.
<i>Supplies and services</i>	The variance in supplies and services relates to savings across a number of expenditure categories including contractors.
<i>Depreciation and amortisation</i>	This variance mainly relates to delays in the Training Product Development program resulting in lower levels of amortisation relating to capitalised product for the year.

26 Budget vs Actual Comparison (continued)

Statement of Financial Position	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
Current assets			
Cash and cash equivalents	112,706	98,183	(14,523)
Receivables and Contract Assets	93,006	134,503	41,497
Inventories	798	627	(171)
Other current assets	7,305	14,823	7,518
Total current assets	213,815	248,136	34,321
Non-current assets			
Property, plant and equipment	68,444	86,501	18,057
Right-of-use assets	57,071	57,059	(12)
Intangible assets	38,441	31,123	(7,318)
Investments accounted for using the equity method	4,091	4,761	670
Other non-current assets	1,139	1,568	429
Total non-current assets	169,186	181,012	11,826
Total assets	383,001	429,148	46,147
Current liabilities			
Payables	31,608	46,057	14,449
Accrued employee benefits	16,281	14,995	(1,286)
Lease liabilities	2,419	2,602	183
Other current liabilities	29,308	37,683	8,375
Total current liabilities	79,616	101,337	21,721
Non-current liabilities			
Accrued employee benefits	251	259	8
Lease liabilities	68,052	67,944	(108)
Other non-current liabilities	1,820	355	(1,465)
Total non-current liabilities	70,123	68,558	(1,565)
Total liabilities	149,739	169,895	20,156
Net assets	233,262	259,253	25,991

26 Budget vs Actual Comparison (continued)

Explanation of major variances - Statement of Financial Position:

<i>Receivables and contract assets</i>	This variance mainly relates to increases in the level of contract assets including Government training subsidies based on stages of training completed and timing of student loan data reported for payment to the Department of Education, Skills and Employment and an increase in trade debtors mainly relating to the contribution from DESBT towards the fit-out of the new Robina campus.
<i>Other current assets</i>	The variance in other current assets mainly relates to a higher level of prepaid expenses at 30 June, particularly in relation to annual ICT licences and subscriptions including licenses for new Cyber Security Training Operation Centres.
<i>Property, plant and equipment</i>	This variance mainly relate to a \$7.5 million increase relating to the valuation of Aviation Australia buildings to align to TAFE Queensland's accounting policies (previously recognised on a historical cost basis), \$6.4 million increase in acquisitions predominantly relating to equipment and fit-out costs for the Robina campus, and correction of work in progress balances incorrectly classified as intangible in prior years.
<i>Intangible assets</i>	This variance mainly relates to impacts of the IFRS IC agenda decision relating to the accounting for configuration and customisation costs to a Software-as-a-Service (SaaS) arrangements and correction of work in progress balances incorrectly classified as intangible in prior years.
<i>Payables</i>	The increase in payments mainly relates to timing of activities at the end of financial year resulting in higher levels of trade creditors at 30 June.
<i>Other current liabilities</i>	The variance in other current liabilities mainly relates to the timing of training relating to the delivery of contract liabilities performance obligations.

26 Budget vs Actual Comparison (continued)

Statement of Cash Flows	Budget 2022 \$'000	Actual 2022 \$'000	Variance 2022 \$'000
Cash flows from operating activities			
Sales of goods and services	246,382	224,691	(21,691)
Grants and contributions	427,799	444,841	17,042
GST input tax credits from ATO	16,104	20,364	4,260
Interest received	115	37	(78)
Other receipts	4,986	8,591	3,605
Employee expenses	(462,454)	(487,692)	(25,238)
Supplies and services	(225,264)	(218,146)	7,118
GST remitted to ATO	(6,570)	(7,653)	(1,083)
Finance / borrowing costs	(2,303)	(2,003)	300
Other payments	7,296	(7,962)	(666)
Net cash inflow from operating activities	(8,501)	(24,932)	16,431
Cash flows from investing activities			
Dividends received	3,800	2,772	(1,028)
Sales of property, plant and equipment	5	14	9
Payments for property, plant and equipment	(21,600)	(28,009)	(6,409)
Payments for intangible assets	(2,280)	(7,360)	(5,080)
Net cash (outflow) from investing activities	(20,075)	(32,583)	(12,508)
Cash flows from financing activities			
Lease payments	(2,353)	(2,504)	151
Net cash (outflow) from financing activities	(2,353)	(2,504)	151
Net (decrease) in cash and cash equivalents	(30,929)	(60,019)	(29,090)
Cash and cash equivalents at the beginning of the financial year	143,635	158,202	(14,567)
Cash and cash equivalents at end of financial year	112,706	98,183	(14,523)

Explanation of major variances - Statement of Cash Flows:

<i>Sales of goods and services</i>	This variance mainly relates to lower levels of receipts for course fees during year which were impacted by a higher proportion of course fees received as training subsidies and the timing of student loan data reported for payment to the DESBT.
<i>Grants and contributions</i>	This variance mainly relates to an increase in the component of course fees received from the Queensland Government as training subsidies driven by increased subsidised available through State and Commonwealth Government programs including JobTrainer, Boosting Apprenticeship Commencements and TAFE Priority Skilling Fund.
<i>Employee expenses</i>	This variance mainly relates to increase in costs associated with additional FTE required to support training demand and impacts of the wage determination mechanism for staff covered by the TAFE Queensland (TAFE Services Employees) Certified Agreement 2019.
<i>Supplies and services</i>	The variance in supplies and services relates to savings across a number of expenditure categories including contractors.
<i>Payments for property, plant and equipment</i>	The increase in payments for property, plant and equipment mainly relates to equipment and fit-out costs for the Robina campus.
<i>Payments for intangible assets</i>	This variance mainly relates to a higher level of expenditure relating to the development of training product, including activities delayed from 2020-21.

27 Key Management Personnel Disclosures

(a) Ministerial Remuneration

TAFE Queensland's responsible Minister is identified as part of TAFE Queensland's key management personnel, consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Honourable Diana Farmer Minister for Employment and Small Business and Minister for Training and Skills Development.

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Member's Remuneration Handbook. TAFE Queensland does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

(b) Board Members

TAFE Queensland is governed by an independent board.

Board Members' fees include fees paid for membership of TAFE Queensland's Board and relevant Board committees. Details of the appointment and remuneration for each Board Member are:

	2022	2021
Remuneration	\$'000	\$'000
Jane Seawright *	61	6
Bronwyn Davies *	39	4
Andrew Dettmer	39	39
Kay Giles	39	39
Trina Hockley	39	40
Peter Price *	-	-
Dr Valerie Cooms **	28	4
Annabel Dolphin ***	-	55
Peter Dowling ***	-	35
Noela L'Estange ***	-	39
Deborah Wilson ***	-	35
Total	245	293

* Appointed 27 May 2021

** Appointed 27 May 2021, Ceased 9 March 2022

*** Ceased 27 May 2021

27 Key Management Personnel Disclosures (continued)

(c) Key Executive Management Personnel

The following details for key management personnel reflect those positions that had authority and responsibility for planning, directing and controlling the activities of TAFE Queensland during 2022 and 2021.

Position	Position Responsibility
Chief Executive Officer	Strategic and operational management of TAFE Queensland.
Chief Financial Officer	Financial strategy and planning, financial systems and reporting functions, financial policies and procedures, procurement functions, and the evaluation of investment decisions. Operational performance and the translation of organisational strategy into operational plans.
Chief Information Officer	Information and communications technology (ICT) strategy development, ICT contract management and procurement functions and ICT operational services.
Chief Academic Officer	Academic strategy, teaching governance, learning and quality, and digital product services.
Chief Human Resources Officer	Strategic Human Resources direction and delivery of Human Resources services.
Director, Legal Services and General Counsel	Legal advice to the Board, Executive and operating regions on contract, risk, compliance, right to information and governance matters.
Executive Director Business Development	Lead the development of innovative and sustainable business development strategies.
Regional General Managers	Directing the activities at TAFE Queensland campuses in each region in alignment with TAFE Queensland's commercial and strategic direction.
General Manager Operations	Operational planning and reporting, business intelligence (BI), contract and data management, TAFE Queensland Scholarship Foundation and government funded initiatives
General Manager International	Directing the activities of TAFE Queensland International operations in alignment with TAFE Queensland's commercial and strategic direction.

Remuneration for key executive management personnel

Key executive management personnel of TAFE Queensland are appointed under the *TAFE Queensland Act 2013*. Remuneration and other terms of employment are formalised in individual contracts of employment. These contracts of employment make a provision for an appropriate combination of competitive fixed and variable remuneration components. Remuneration expenses for key management personnel comprise the following components:

- Short term employee expenses which include:
 - Salaries, allowances and leave entitlements earned for the year or for that part of the year during which the employee occupied the specified position
 - Performance payments recognised as an expense during the year.
 - Non-monetary benefits including fringe benefits tax applicable to that benefit.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned
- Post-employment expenses include amounts expensed in respect of employer superannuation obligations.
- Termination benefits include payments in lieu of notice on termination and other lump sum entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

27 Key Management Personnel Disclosures (continued)

(c) Key Executive Management Personnel (continued)

Performance payments

Key management personnel remuneration packages allow for a variable component of remuneration to be provided to executive managers through an annual incentive performance scheme subject to the discretionary approval by the TAFE Queensland Board. The TAFE Queensland Board has declared that the annual incentive performance scheme is not in effect from 2021.

Remuneration expenses

The following disclosure focus on the expenses incurred by TAFE Queensland attributable to KMP during the respective reporting periods. The amounts disclosed below are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

2022

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post - Employment Expenses	Termination Expenses	Total Expenses
	Monetary \$'000	Non-Monetary \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	381	-	10	49	-	440
Chief Financial Officer	286	-	7	26	-	319
Chief Information Officer	288	-	7	35	-	330
Chief Academic Officer	261	-	7	34	-	302
Chief Human Resources Officer	235	-	6	23	-	264
Executive Director, Legal Services and General Counsel	220	-	5	21	-	246
Executive Director Business Development	207	-	5	27	-	239
General Managers						
Operations	267	-	7	35	-	309
International Education	256	-	6	33	-	295
Brisbane (to 3/01/2022)	155	-	3	17	-	175
Brisbane (from 4/01/2022)	153	-	4	14	-	171
East Coast	226	-	6	30	-	262
Gold Coast	247	-	6	25	-	278
North	223	-	6	29	-	258
SkillsTech	257	-	6	31	-	294
South West (to 3/01/2022)	120	-	3	11	-	134
South West (from 4/01/2022)	147	-	3	13	-	163

27 Key Management Personnel Disclosures (continued)

(c) Key Executive Management Personnel (continued)

2021

Position	Short Term Employee Expenses		Long Term Employee Expenses	Post - Employment Expenses	Termination Expenses	Total Expenses
	Monetary \$'000	Non-Monetary \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	334	-	8	44	-	386
Chief Financial Officer (from 2/10/2020) / Acting Chief Financial and Operations Officer (to 1/10/2020)	256	-	6	31	-	293
Chief Information Officer	276	-	6	34	-	316
Chief Academic Officer	256	-	6	34	-	296
Chief Human Resources Officer	219	-	5	22	-	246
Director, Legal Services and General Counsel	195	-	5	20	-	220
Executive Director Business Development	193	-	5	26	-	224
General Managers					-	
Brisbane (to 25/06/2021)	263	-	6	34	-	303
East Coast	241	-	5	30	-	277
Gold Coast	223	-	5	29	-	257
North	232	-	5	30	-	268
SkillsTech	228	-	6	29	-	263
South West	232	-	5	22	-	259
Operations (from 13/07/2020) / Executive Director Enterprise Operations (to 12/07/2020)	271	-	6	33	-	310
International Education	160	-	4	22	-	186

28 Related party transactions

Transactions with people / entities related to KMP

Related Party Declarations have been received from KMP with no material amounts required to be reported.

Transactions with other Queensland Government - controlled entities

TAFE Queensland's primary ongoing sources of funding from Queensland Government for its services are grants and contributions via the Department of Employment, Training and Small Business as disclosed in Note 5.

Subsidiaries and joint arrangements

Transactions with TQIE (controlled entity) and SCHI (joint arrangement) are disclosed in Notes 2 and 3 respectively

29 First Year Application of New Accounting Standards and Changes in Accounting Policy

No new accounting standards or interpretations that apply to TAFE Queensland for the first time in 2021-22 had any material impact on the financial statements.

Summary of change in accounting policy

1) Recognition of Intangible Assets

TAFE Queensland changed its accounting policies in 2021-22 after completing a full analysis of the previously capitalised software in response to the IFRIC agenda decision released in March 2021.

The new accounting policy now considers where the software code resides, whether it is identifiable and whether TAFE Queensland has the power to both obtain economic benefits from the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- (a) Where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when the vendor providing the services is different from the vendor providing access to the software
- (b) Where the configuration or customisation is not a distinct service from TAFE Queensland's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront. This is usually the case when the same vendor is providing both the configuration or customisation services and the access to the cloud software

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with TAFE Queensland's existing accounting policies on software assets in Note 14 which have not changed.

The changes have been applied retrospectively with an adjustment of comparative opening balances at 1 July 2020. However, a separate statement of financial position as at 1 July 2020 is not provided because the overall impact of these changes is not considered material.

Impact of changes

As a result of the change in accounting policy, \$362,000 of capitalised software intangible assets as at 1 July 2020 have been expensed through opening accumulated earnings.

The net impacts are summarised in the tables below.

Impact on the statement of financial position

1 July 2020

	Note	Consolidated			Parent		
		IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)	IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)
Non-current assets							
Intangible assets	14	33,279	33,641	(362)	33,436	33,798	(362)
Total non-current assets		150,347	150,709	(362)	84,820	85,182	(362)
Total assets		424,974	425,336	(362)	345,126	345,488	(362)
Net assets		254,964	255,326	(362)	240,740	241,102	(362)
Equity							
Retained earnings		71,065	71,427	(362)	68,190	68,552	(362)
Total equity		254,964	255,326	(362)	240,740	241,102	(362)

29 First Year Application of New Accounting Standards and Changes in Accounting Policy (continued)

30 June 2021

		Consolidated			Parent		
	Note	IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)	IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)
Current assets							
Other current assets	10	14,704	14,532	172	13,988	13,816	172
Total current assets		275,969	275,797	172	262,899	262,727	172
Non-current assets							
Intangible assets	14	36,326	39,181	(2,855)	34,916	37,771	(2,855)
Other non-current assets	11	1,739	1,139	600	600	-	600
Total non-current assets		156,764	159,019	(2,255)	89,812	92,067	(2,255)
Total assets		432,733	434,816	(2,083)	352,711	354,794	(2,083)
Net Assets		255,663	257,746	(2,083)	241,223	243,306	(2,083)
Equity							
Retained earnings		71,569	73,652	(2,083)	68,478	70,561	(2,083)
Total equity		255,663	257,746	(2,083)	241,223	243,306	(2,083)

Impact on the income statement
For the year ended 30 June 2021

		Consolidated			Parent		
	Note	IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)	IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)
Employee expenses	6	453,049	452,414	635	441,337	440,742	635
Supplies and services	7	186,237	185,150	1,087	180,972	179,885	1,087
Total expenses		667,599	665,877	1,722	646,076	644,354	1,722
Operating result for the year		503	2,225	(1,722)	287	2,009	(1,722)
Total comprehensive income/(loss)		698	2,420	(1,722)	482	2,204	(1,722)

29 First Year Application of New Accounting Standards and Changes in Accounting Policy (continued)

Impact on the statement of cash flows For the year ended 30 June 2021

	Note	Consolidated			Parent		
		IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)	IFRS IC Agenda Decision	Previous AAS	Increase / (decrease)
Employee expenses		(465,872)	(465,237)	(635)	(454,283)	(453,648)	(635)
Supplies and services		(204,895)	(203,036)	(1,859)	(199,749)	(197,890)	(1,859)
Net cash provided by operating activities		5,751	8,245	(2,494)	6,568	9,062	(2,494)
Payments for intangible assets		(8,982)	(11,476)	2,494	(8,327)	(10,821)	2,494
Net cash used in investing activities		(18,982)	(21,476)	2,494	(18,936)	(21,430)	2,494
Net decrease in cash and cash equivalents		(16,016)	(16,016)	-	(14,167)	(14,167)	-
Cash and equivalents at end of financial year		158,202	158,202	-	148,005	148,005	-

2) Measurement of Buildings

TAFE Queensland's buildings are measured at fair value and reported at the revalued amounts, being the fair value at the date of valuation less any subsequent accumulated depreciation, with the exception of buildings held by Aviation Australia which, prior to 2022, were recorded at historical cost less accumulated depreciation and impairment.

In 2022 Aviation Australia's buildings were revalued for the first time and reported at fair value. The net impact of the valuation (\$7.5 million) has been adjusted in 2021-22 rather than applied retrospectively on the basis the impact is not material for comparative periods.

MANAGEMENT CERTIFICATE

FOR THE YEAR ENDED 30 JUNE 2022

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 39 of the *Financial and Performance Management Standard 2019* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- (a) the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- (b) the financial statements have been drawn up to present a true and fair view, in accordance with the prescribed accounting standards, of the transactions of TAFE Queensland for the financial year ended 30 June 2022, and of the financial position of TAFE Queensland at the end of that year; and

We acknowledge responsibility under s.7 and s.11 of the *Financial and Performance Management Standard 2019* for the establishment and maintenance, in all material respects, of an appropriate and effective system of internal controls and risk management processes with respect to financial reporting throughout the reporting period.



Jane Seawright
Chairperson
TAFE Queensland
Date: 25 August 2022



Mary Campbell
Chief Executive Officer
TAFE Queensland
Date: 25 August 2022



Simon Pritchard
Chief Financial Officer
TAFE Queensland
Date: 25 August 2022

INDEPENDENT AUDITOR'S REPORT

To the Board of TAFE Queensland

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of TAFE Queensland (the parent) and its controlled entities (the group).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2022, and their financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards.

The financial report comprises the statements of financial position as at 30 June 2022, the statements of comprehensive income, statements of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the parent and group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2019 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the parent or group or to otherwise cease operations.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. This is not done for the purpose of expressing an opinion on the effectiveness of the entity's internal controls, but allows me to express an opinion on compliance with prescribed requirements.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the group.
- Conclude on the appropriateness of the parent's and group's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent's or group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the parent or group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the audit of the group. I remain solely responsible for my audit opinion.

I communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on other legal and regulatory requirements

Statement

In accordance with s. 40 of the *Auditor-General Act 2009*, for the year ended 30 June 2022:

- a) I received all the information and explanations I required
- b) I consider that, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

Prescribed requirements scope

The prescribed requirements for the establishment and keeping of accounts are contained in the *Financial Accountability Act 2009*, any other Act and the Financial and Performance Management Standard 2019. The applicable requirements include those for keeping financial records that correctly record and explain the entity's transactions and account balances to enable the preparation of a true and fair financial report.



Bhavik Deoji
as delegate of the Auditor-General

30 August 2022

Queensland Audit Office
Brisbane

APPENDIX A: COMPLIANCE CHECKLIST

Summary of requirement		Basis for requirement	Annual report reference
Letter of compliance	<ul style="list-style-type: none"> A letter of compliance from the accountable officer or statutory body to the relevant Minister/s 	ARRs – section 7	Letter of compliance
Accessibility	<ul style="list-style-type: none"> Table of contents Glossary 	ARRs – section 9.1	Contents Glossary of terms
	<ul style="list-style-type: none"> Public availability 	ARRs – section 9.2	About our Annual Report
	<ul style="list-style-type: none"> Interpreter service statement 	<i>Queensland Government Language Services Policy</i> ARRs – section 9.3	About our Annual Report
	<ul style="list-style-type: none"> Copyright notice 	<i>Copyright Act 1968</i> ARRs – section 9.4	About our Annual Report
	<ul style="list-style-type: none"> Information Licensing 	<i>QGEA – Information Licensing</i> ARRs – section 9.5	N/A
General information	<ul style="list-style-type: none"> Introductory Information 	ARRs – section 10	Message from the Chairperson and Chief Executive Officer
Non-financial performance	<ul style="list-style-type: none"> Government's objectives for the community and whole-of-government plans/specific initiatives 	ARRs – section 11.1	Message from the Chairperson and Chief Executive Officer Year in review
	<ul style="list-style-type: none"> Agency objectives and performance indicators 	ARRs – section 11.2	Our performance Year in review
	<ul style="list-style-type: none"> Agency service areas and service standards 	ARRs – section 11.3	Our performance
Financial performance	<ul style="list-style-type: none"> Summary of financial performance 	ARRs – section 12.1	Financial performance
Governance – management and structure	<ul style="list-style-type: none"> Organisational structure 	ARRs – section 13.1	Our organisation - Executive Management
	<ul style="list-style-type: none"> Executive management 	ARRs – section 13.2	Our organisation - Executive Management
	<ul style="list-style-type: none"> Government bodies (statutory bodies and other entities) 	ARRs – section 13.3	Governance - Our governing body
	<ul style="list-style-type: none"> Public Sector Ethics 	<i>Public Sector Ethics Act 1994</i> ARRs – section 13.4	Governance - Public sector ethics
	<ul style="list-style-type: none"> Human Rights 	<i>Human Rights Act 2019</i> ARRs – section 13.5	Governance - Human rights
	<ul style="list-style-type: none"> Queensland public service values 	ARRs – section 13.6	Message from the Chairperson and Chief Executive Officer Our organisation Governance - Public sector ethics

Summary of requirement		Basis for requirement	Annual report reference
Governance – risk management and accountability	• Risk management	ARRs – section 14.1	Governance - Audit, Finance and Risk Management Committee
	• Audit committee	ARRs – section 14.2	Governance - Audit, Finance and Risk Management Committee
	• Internal audit	ARRs – section 14.3	Governance - Internal audit
	• External scrutiny	ARRs – section 14.4	Governance - External scrutiny
	• Information systems and recordkeeping	ARRs – section 14.5	Governance - Information systems and recordkeeping
	• Information Security attestation	ARRs – section 14.6	N/A
Governance – human resources	• Strategic workforce planning and performance	ARRs – section 15.1	Governance - Strategic workforce planning and performance Governance - Employee relations framework
	• Early retirement, redundancy and retrenchment	Directive No.04/18 <i>Early Retirement, Redundancy and Retrenchment</i> ARRs – section 15.2	N/A
Open Data	• Statement advising publication of information	ARRs – section 16	About our Annual Report
	• Consultancies	ARRs – section 31.1	https://data.qld.gov.au
	• Overseas travel	ARRs – section 31.2	https://data.qld.gov.au
	• Queensland Language Services Policy	ARRs – section 31.3	https://data.qld.gov.au
Financial statements	• Certification of financial statements	FAA – section 62 FPMS – sections 38, 39 and 46 ARRs – section 17.1	Management Certificate
	• Independent Auditor’s Report	FAA – section 62 FPMS – section 46 ARRs – section 17.2	Independent Auditor’s report

FAA *Financial Accountability Act 2009*

FPMS *Financial and Performance Management Standard 2019*

ARRs *Annual report requirements for Queensland Government agencies*

GLOSSARY OF TERMS

Advancing Our Training Infrastructure (AOTI)

A comprehensive Queensland Government strategy aimed at modernising TAFE facilities across Queensland making them competitive in a contestable market while providing high-quality facilities for students to carry out their training.

Apprenticeship

A system of training, regulated by law or custom, which combines on-the-job training and work experience with formal off-the-job training, while in paid employment.

Aviation Australia (AA)

Aviation Australia Pty Ltd was formed in October 2001 to support the development and growth of aviation and aerospace industries both in Australian and international markets. Aviation Australia became a subsidiary of TAFE Queensland effective from 1 October 2017.

Back to Work

The Back to Work program is a Queensland Government initiative designed to give businesses confidence to employ jobseekers who have experienced a period of unemployment.

Certificate 3 Guarantee (C3G)

The Queensland Government funding program designed to assist Queensland students to complete their first post school certificate III level qualification to gain a job or improve their employment status.

COVID-19

The novel coronavirus - referred to as COVID-19 by the World Health Organisation - is a part of a family of coronaviruses that cause illness ranging from a cold, to more severe diseases i.e. Severe Acute Respiratory Syndrome (SARS-CoV). CO from Coronavirus, VI from virus, and D from disease. The reference to 19, is due to it being discovered on the last day of 2019. COVID-19 had not previously been identified by humans.

Free Apprenticeships for under 25s

Queenslanders, up to the age of 25, may be eligible to undertake a high priority apprenticeship and traineeship qualification for free.

Free TAFE for under 25s

A Queensland Government funded program to support school leavers into work, the Queensland Government offers free TAFE training in high priority areas.

Higher Level Apprenticeships

The Queensland Government's Higher Level Apprenticeships Pilot is providing opportunities to partner with industry to develop new pathways to layer specialised skills and knowledge with the traditional apprenticeship model.

Higher Level Skills

The Higher Level Skills program provides a government subsidy in selected certificate IV or above qualifications and priority skill sets to help individuals gain the higher level skills required to secure employment or career advancement in a priority industry.

JobTrainer Fund

To help Queensland's economy to recover from the impacts of COVID-19, the JobTrainer Fund is delivering additional training places in short courses, certificate and diploma qualifications to Queensland job seekers, school leavers and young people.

Key Performance Indicator (KPI)

Tracking indicator used to measure the achievement of outputs against goals.

National Centre for Vocational Education Research (NCVER)

Australia's principal provider of VET research and statistics.

Queensland Audit Office (QAO)

The Queensland Audit Office is the independent auditor of the Queensland public sector.

Reconciliation Action Plan (RAP)

TAFE Queensland's Reconciliation Action Plan (RAP) demonstrates our commitment to closing the gap to ensure our First Australians are afforded the same opportunities for learning and prosperity that everyone enjoys in Australia.

Revitalising our TAFE Campuses Across Australia

The Federal Government has committed \$50 million over two years from 2020-21 to 2021-22 for the Revitalising TAFE Campuses Across Australia program, in partnership with state and territory governments. This initiative aims to improve vocational education infrastructure ensuring TAFEs are equipped to deliver training to the standards expected by industry and students.

Service Delivery Statement (SDS)

Budget papers prepared on a portfolio basis by agencies reporting to each minister and the Speaker. The document comprises a section for each departmental portfolio and one for the Legislative Assembly of Queensland. It is produced annually and provides budgeted financial and non-financial information for the budget year. The SDS sets out the priorities, plans and financial statements of agencies.

Social and Environmental Sustainability Action Plan

The TAFE Queensland Social and Environmental Sustainability Action Plan 2020-24 outlines TAFE Queensland's goals, strategies and actions towards achieving our commitment to sustainability.

Strategic Plan

The document which provides TAFE Queensland's purpose and direction. It outlines overall objectives (including contributions to whole-of-government objectives, ambitions and targets) and how it will know if it has achieved those agency objectives (performance indicators).

User Choice (apprenticeship and traineeship funding)

The User Choice program provides public funding for the delivery of accredited, entry level training to apprentices and trainees.

Vocational education and training (VET)

Post-compulsory education and training which provides people with occupational or work-related knowledge and skills.

Workforce Transition Support Program (WTSP)

The WTSP is a \$5 million, 15 month initiative delivered by TAFE Queensland that sits under the Department of Employment, Small Business and Training's (DESBT) Future Skills Fund – a suite of initiatives focusing on skills attainment for jobs of the future to ensure future training meets the needs of industry and the post-COVID economy.